Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Statement Issued Recognizing Soviet Republics *[Havana TV]* 1
Recognition Viewed *[Havana Radio]* 1
Russian Civilians Begin To Depart Island *[AFP]* 1
St. Petersburg, Kazahkstan Sign Trade Agreements *[Havana Radio]* 2
Minrex Praises Agreement Signed by Koreas *[Mexico City NOTIMEX]* 2
Foreign Funding, Socialism Seen as Compatible *[Havana TV]* 2
ANPP's 10th Regular Session Begins 26 Dec 3
Castro Attends AM Session *[Havana Radio]* 3
Castro Participates *[Havana TV]* 3
More on 26 Dec AM Session *[Havana Radio]* 4
ANPP To Analyze Counterrevolution *[Havana Radio]* 4
'U.S. Hostility' Reported *[Madrid EFE]* 4

Haiti

Benoit Comments on Prime Minister Nomination *[Port-au-Prince Radio]* 5
Amnesty Granted to Precoup Political Prisoners *[L'UNION 24-26 Dec]* 6

MEXICO

Relations With Soviet Republics, Vatican Viewed *[Mexico City TV]* 7
Foreign Secretariat on Relations With CIS *[Mexico City TV]* 7
Deputies Grant Legal Status to Churches *[Mexico City TV]* 7
Alvarez Machain's Extradition From U.S. Urged *[NOTIMEX]* 8
Pemex Reports Oil Sales for First 10 Months '91 *[NOTIMEX]* 8

CENTRAL AMERICA

El Salvador

Presidency Minister on Ongoing Talks in New York *[San Salvador Radio]* 9
FMLN Says Government 'Impeding' Negotiations *[San Salvador Radio]* 10

Guatemala

Ministers on Future Relations With CIS *[Guatemala City TV]* 10
Government Minister Criticizes Guerrilla Attacks *[PRENSA LIBRE 20 Dec]* 11
Support Group Reports on Coercive Recruitment *[EL GRAFICO 15 Dec]* 11

Honduras

Article Lists Changes in Army Leadership *[LA TRIBUNA 24 Dec]* 11

Nicaragua

Recontras, Recompas Clash in Northern Jinotega *[BARRICADA 20 Dec]* 12
RN Urges Armed Groups To End Violence *[Managua Radio]* 12
Former RN Members Say Recompas Seized Workers *[Managua Radio]* 13
Urban Front Demands Release of Former Contras *[Managua Radio]* 13

Panama

Committee Protests Handing Over Photos to U.S. *[EL PANAMA AMERICA 19 Dec]* 14
Poll Shows Anti-American Sentiment in 'Decline' *[LA PRENSA 26 Dec]* 14
National Assembly Passes Extradition Bill *[EL PANAMA AMERICA 19 Dec]* 14
Papa Egoro Criticizes Day of Reflection Decree *[Panama City Radio]* 15

SOUTH AMERICA

Argentina

Menem Cites 'Affection, Admiration' for Gorbachev *[TELAM]* 17
Moldova, Uzbekistan, Tajikistan Recognized *[Madrid EFE]* 17
Trade Balance Shows $3.5 Billion Surplus *[TELAM]* 17
* Political Impact of Future Economic Measures *[LA PRENSA 24 Nov]* 17
* Manzano Announces Dismissal of 500 Policemen *[LA PRENSA 30 Nov]* 19
* Traditional Labor Practices Changes Analyzed *[LA PRENSA 2 Dec]* 19
* Alfonsin's, Angeloz's Strategy Viewed 20
  * Alfonsin's Plans *[LA PRENSA 4 Dec]* 20
  * Angeloz's Plans *[LA PRENSA 2 Dec]* 22
* Political Background of New Health Minister *[CLARIN 16 Nov]* 22

Bolivia

Action on U.S. Extradition Requests Delayed *[PRESENCIA 20 Dec]* 23
Escobari Reiterates Need for Sea Outlet *[La Paz Radio]* 23
Defense Minister on Army in Antidrug Fight *[PRESENCIA 15 Dec]* 23
* Paz Proposes Joint Antidrug Strategy in Rome *[LOS TIEMPOS 25 Nov]* 24
Report on Reduction in Ministries Denied *[La Paz TV]* 26
IDB Affiliate Announces $6 Million Loan *[La Paz Radio]* 27
Agreement Reached To Reduce Foreign Debt *[La Paz TV]* 27
Commanders Pleased With Presidential Support *[PRESENCIA 14 Dec]* 27
Strategy To Solve Miners Strike Analyzed *[La Paz Radio]* 27

Brazil

Relations With Former USSR Republics Noted 27
  Ties With Individual Republics *[Yerevan ARMENPRES]* 27
  Relations With CIS *[Madrid EFE]* 28
  CIS, Georgia Recognized *[Brasilia Radio]* 28
  Collor Praises Gorbachev *[Brasilia Radio]* 28
U.S. Invites Rezek To Discuss Soviet Crisis *[Brasilia Radio]* 29
Stricter Controls of War Materiel Prepared *[FOLHA DE SAO PAULO 16 Dec]* 29
Increased Bilateral Trade With Uruguay Agreed *[Madrid EFE]* 29
Mercosur Customhouses To Begin Operating in Jan *[Brasilia Radio]* 30
Cuban Sports Institute Plans To Aid Athletes *[Brasilia Radio]* 30
* SAE Bill Regulates Intelligence Activities *[O ESTADO DE SAO PAULO 1 Dec]* 30
* Poll Shows Strong Public Rejection of Collor *[O ESTADO DE SAO PAULO 1 Dec]* 31
* Proposed Economic Reforms of New Plan Defined *[O ESTADO DE SAO PAULO 2 Dec]* 32
National Oil, Natural Gas Production Increase *[Brasilia Radio]* 33

Colombia

Government Announces New Rebel Reentry Program *[Santa Fe de Bogota Radio]* 33
Progress of Dialogue With CNGSB Assessed *[Santa Fe de Bogota Radio]* 34
Emergency Measures To Stop Defense Groups' War *[EL TIEMPO 18 Dec]* 34
Defense Minister at Southern Military Garrisons *[Santa Fe de Bogota TV]* 34
Labor Minister Defends Minimum Wage Increase *[Santa Fe de Bogota Radio]* 35

Paraguay

Rodriguez Expected Not To Run for Reelection *[NOTICIAS 26 Dec]* 35
Rodriguez Delivers Year-End Message to Military *[HOY 24 Dec]* 35
Finance Minister Remarks on Foreign Debt *[NOTICIAS 25 Dec]* 36
New Education, Worship Minister Appointed *[Asuncion TV]* 36
Former Air Force Chief Released After 34 Days *[NOTICIAS 25 Dec]* 36
Agriculture Minister Assesses Farm Production *[ABC COLOR 24 Dec]* 36

Peru

Government Recognizes Russian Federation, CIS *[Madrid EFE]* 37
Fujimori Sends Message to Yeltsin *[Lima TV]* 37
* MRTA Leader on Objectives, Drug Trafficking *[CARETAS 9 Dec]* 37

Venezuela

President Perez on 1992 Economic Prospects *[Caracas TV]* 40
Plans To Privatize Oil Industry Denied *[Caracas TV]* 40
* Progress, Future of Privatizations Examined *[VIERNES Nov]* 41

Cuba

Statement Issued Recognizing Soviet Republics

FL2612184791 Havana Tele Rebelde Network in Spanish 1812 GMT 26 Dec 91

[Statement issued by the Ministry of Foreign Affairs, Minrex; place and date not given]

[Text] The Government of the Republic of Cuba has learned of the declaration made in Alma-Ata by the top leaders of the Republics of Armenia, Azerbaijan, Belarus, Kazakhstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine, that with the formation of the Commonwealth of Independent States, the Union of Soviet Socialist Republics ceases to exist, and in agreement with the traditional and basic principles of its foreign policies to respect the right of self-determination of the peoples it has decided to recognize as independent and sovereign states the Republic of Armenia, the Republic of Azerbaijan, the Republic of Belarus, the Republic of Georgia, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Republic of Moldova, the Russian Federal Republic, the Republic of Tajikistan, the Republic of Turkmenistan, and the Republic of Uzbekistan. The Republic of Ukraine was recognized by Cuba after the referendum held in that country on 1 December.

With this expression of respect and friendship which the Cuban people feel toward the peoples who form part of the aforementioned states, the Government of the Republic of Cuba wishes that within the new conditions created, they [the former Soviet republics] find the path to prosperity and well-being, cooperation, harmony, and peace.

Likewise, the Government of the Republic of Cuba reiterates its willingness and interest to continue strengthening the ties of friendship and cooperation established over the last three decades, with each separate state as well as with whatever organizations and institutions may be created jointly to coordinate common domestic and foreign policies, based on the principles of respect for sovereignty and noninterference in domestic affairs, and in agreement with the UN Charter.

Signed: The Foreign Affairs Ministry of the Republic of Cuba.

Recognition Viewed

FL2612143091 Havana Radio Rebelde Network in Spanish 1255 GMT 26 Dec 91

[Orlando Contreras commentary: "Our Opinion"]

[Text] The Foreign Affairs Ministry [Minrex] has announced that Cuba has recognized all the states that have emerged from the crisis in the former Soviet Union, in accordance with its traditional and basic foreign policy principle to respect the right of all peoples to self-determination.

I would like to repeat the text of two paragraphs of the Minrex statement:

With this expression of respect and friendship which the Cuban people feel toward the peoples who are part of the aforementioned states, the Government of the Republic of Cuba wishes that, within the new conditions created, they [the former Soviet republics] find the path to prosperity and well-being, cooperation, harmony, and peace.

Likewise, the Government of the Republic of Cuba reiterates its willingness and interest to continue strengthening the ties of friendship and cooperation established over the last three decades, with each separate state as well as with whatever organizations and institutions may be created to coordinate common domestic and foreign policies based on the principles of respect for sovereignty and noninterference in domestic affairs, and in agreement with the UN Charter.

These are the last two paragraphs of the Minrex document that appeared today on the front page of GRANMA. The statement expresses a position of principle and political reality. These peoples and the respective authorities which represent them, are the ones to decide the domestic affairs of these states. Foreign nations, in the same way that they demand respect toward themselves, should honor these principles. If it were true that international relations among states were in fact based on strict compliance with this practice, if that simple but essential idea expressed by Benito Juarez—respect of the rights of others is peace—were followed, maybe mankind could travel along a path of peace and equity.

Russian Civilians Begin To Depart Island

PA2612231691 Paris AFP in Spanish 1735 GMT 26 Dec 91

[Report by Bertrand Rosenthal]

[Text] Havana, 26 Dec (AFP)—The white, blue, and red Russian flag was hoisted on 26 December at the embassy of the former USSR in Havana. The waving of the tri-colored flag seemed to mark the beginning of a speedy and somewhat disorderly withdrawal of civilians that the former superpower had sent to the island to work on cooperation programs. In two or three months, almost all of them will have departed the island, according to Russian sources.

There were approximately 3,500 civilians on the island in December 1989. However, now only approximately 600 remain, and they are packing their suitcases because the central organizations which signed cooperation agreements with Cuba no longer exist.

Approximately 300 families of officials of the former USSR cooperation programs will be arriving in Havana in the next few days, according to the same sources. They will be given provisional lodgings while Aeroflot planes are supplied with enough fuel to pick them up.

Diplomats have also begun to leave. The majority are staying at the huge embassy building inaugurated in May 1985 in the exclusive Miramar neighborhood. According to Russian sources, they moved there when Cuban authorities announced that effective 1 January they must pay their rent in dollars.

The presence of the press of the former USSR has also been considerably reduced. Following the closure in early December of PRAVDA's office, the IZVESTIA correspondent is also getting ready to leave. By January there will only be correspondents from TASS, RIA (former NOVOSTI), the radio and television.

On the subject of a military presence, there have been no official moves since Moscow's announcement last September of the withdrawal of a combat brigade that had been in Cuba since 1963. In that regard, both sides began talks in November, which seem to have come to a stalemate. The issue will now be decided by Russian authorities. However, there are rumors that some soldiers are already leaving the island discretely without being replaced.

On 26 December, the Cuban Foreign Ministry issued a statement recognizing the independent republics that comprised the former USSR. In order to continue cooperation and trade, it will be necessary to begin negotiations with each one of those states or with the new private or autonomous enterprises.

St. Petersburg, Kazahkstan Sign Trade Agreements

FL2612195291 Havana Radio Progreso Network in Spanish 1725 GMT 26 Dec 91

[Text] Cuba and St. Petersburg have signed an agreement in which the mayoralty of the city formerly named Leningrad will supply to our country petroleum and petroleum derivatives during the next year. In exchange, Cuba will send sugar, fruit, and medicine to St Petersburg. The news agency INTERFAX, as a service to the St. Petersburg mayoralty, specified that all payments will be made at world market prices.

Cuba and Kazahkstan have also agreed to a commercial agreement and collaboration which establishes legal bases for trade between the two countries over the next five years.

Minrex Praises Agreement Signed by Koreas

PA2612134091 Mexico City NOTIMEX in Spanish 0911 GMT 26 Dec 91

[Text] Havana, 26 Dec (NOTIMEX)—The Cuban Foreign Ministry [Minrex] on 25 December voiced its satisfaction for the signing of a reconciliation, nonaggression, collaboration, and trade agreement by the two Koreas.

It pointed out that this agreement, which was signed at the fifth round of high-level talks between the prime ministers of the DPRK and ROK, constitutes an important step toward achieving detente in Asia.

The Cuban ministry stated that this agreement is a praiseworthy effort in the search for a national consensus to end more than four decades of political-military confrontation.

"It constitutes a serious step toward the peaceful reunification of the Korean people," the ministry noted.

It added that faithful compliance with the commitments acquired with this document would stand as a valuable contribution to peace.

Foreign Funding, Socialism Seen as Compatible

FL2612162291 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Dec 91

["Focus" commentary from "Morning Magazine" program]

[Text] Over the last few years, the search for solutions to problems using our own ideas has intensified in order to manage resource capabilities and work toward economic independence. One of these ideas deals with how the government developed the opening to foreign investments, starting with the concept that it is not possible to make progress in the construction of socialism without using methods to speed up the incorporation of capital, technology, and market.

After the breakdown of European socialism, this prospect became even more necessary in response to the current times and the realities that occur. It is a very difficult task for any developing country, no matter what its ideology, to effect goals geared toward progress using only their own resources in a world so dependent on the economic power poles.

Now, the enemies of the revolution try to present this idea as a compromise of principles and characterize this policy, oddly, as if it were a plan to sell the country. It simply irritates them that these steps have been undertaken as alternatives, above all because this is not a disorganized economic opening. It is something that has been well thought out, where all the objectives and the essential ideas of the socialist state are maintained. That is, the idea of advancing a planned economy is not abandoned, even with sufficient swiftness and flexibility in the economic mechanisms, on the one hand, to combine development programs with objectives of seeking greater efficiency with capital and national resources, and on the other hand, of forming entities which allow reinvestment and marketing, at the same

time, having initiated many industries, which today have been hampered by the lack of raw material.

These campaigns against Cuba try to present the image of a country in crisis and without capital. They have lost sight of the fact that there is a difference here with the setback which a good part of Latin America has experienced. In just the eighties, Cuba virtually doubled its industrial capacity and experienced great development in many branches of technology, even though the majority of its capital, more importantly, consists of human talents and human resources, which today constitute a highly qualified work force.

During these revolutionary years, steel production has grown 14 times; cement production, six times; nickel production, four times; fertilizer production, 10 times; petroleum refinement, four times, not counting the new refinery in Cienfuegos; the value of construction projects—calculated yearly, 10 times; textile production, seven times; to mention a few. Completely new industrial branches have been created, for example: machinery construction; mechanization; electronics; medical equipment, pharmaceuticals; construction materials; glass; and ceramics; among others; plus biotechnology; genetic engineering; and other scientific branches which include, at this time, more than 100 research centers as sources which can significantly help boost national development. Numerous investments have also been made, which have increased and modernized the sugar, food, and light industries.

The country also has a well-developed infrastructure. The generation of electricity has grown over eight times; the 29 million cubic meters of water storage in 1958, today exceeds 9 billion cubic meters, an increase of 310 times; and regarding roads, the diversification of highways, freeways, and others has been significant. Additionally, social needs are well covered, except for housing.

Now, the progress of investment openings in the past few years is part of the realization of a very clear policy drawn up by the government in 1982. Since then, it has tried to not impose an anarchic management but to merge interests, where joint enterprises do not conflict with certain foreign investment methods, and our national capital contributes to everything related to our internal economy and our own economic development.

The top leadership promoted these concepts, way before the European socialists ever began to consider any ideas of reform. For better of for worse, they were convinced that it is not possible to conceive, under modern conditions, any process as something chemically pure, and from the beginning the socialist administration has required ideas and efficiency. It does not contradict the assimilation of certain foreign investments when the basis of social property is maintained and integrated.

The country must prepare itself in this way to take on new bases of trade and adapt itself to new foreign markets. As noted, we are not destitute of economic capabilities, nor are we defenseless in the availability of talents in order to concentrate all our inventiveness, all our skills, searching for alternatives to overcome this difficult moment with the ability to work, to overcome obstacles, and above all, with the natural aptitude to create.

ANPP's 10th Regular Session Begins 26 Dec

Castro Attends AM Session

FL2612162691 Havana Radio Reloj Network in Spanish 1502 GMT 26 Dec 91 91

[Text] The 10th Regular Session of the Third Legislature of the National Assembly of the People's Government [ANPP] has begun at the Palace of Conventions in Havana with the participation of Commander in Chief Fidel Castro, president of the Councils of State and Ministers. ANPP President Dr. Juan Escalona Reguera is presiding over the sessions together with ANPP Vice President Zoila Benitez and Secretary Ernesto Suarez.

On this first day the participants will discuss crime and antirevolutionary behavior and important interventions are expected by Politburo members Carlos Aldana and General Abelardo Colome Ibarra. The fight against crime has been thoroughly examined by a group of deputies who visited 357 state entities in 14 provinces.

Castro Participates

FL2612230791 Havana Tele Rebelde Network in Spanish 1800 GMT 26 Dec 91

[Excerpts] The 10th Regular Session of the National Assembly began this morning with 438 deputies present, constituting an 87.7 percent attendance rate. Parliament President Juan Escalona congratulated the Revolutionary Armed Forces on the occasion of their 35th anniversary and requested, before the beginning of the discussions, a moment of silence for the late General Joaquin Mendez Cominches who had been a deputy of this organ. [passage omitted]

[Begin recording] [Havana City Delegate Vera Bueno] As a founding member of the People's Government and a community-based delegate, and as I believe other comrades have put so well, my words are being directed toward the ratification of that which is being proposed in the congress for consideration by the assembly, to extend the length of terms of municipal and provincial delegates to five years. [passage omitted]

[Castro] There is no doubt that there are pro and con arguments truly worth listening to. Someone mentioned statistics. I really do not know what percentage of the delegates are being replaced.

[Unidentified speaker] Fifty percent of the delegates are replaced every two-and-a-half years.

[Castro] Fifty percent of the delegates are replaced every two-and-a-half years? That is a truly considerable amount. Are they replaced through elections?

[Unidentified speaker] Through elections.

[Castro] Not because they moved?

[Unidentified speaker] No, no. During the term, Chief, 10 percent of the delegates are lost. During every term, there is a 10-percent loss of comrade delegates for various reasons—because they resign, or move, or for other reasons. Fifty percent are replaced every time through elections.

[Castro] That percentage is quite high. The commission will have to thoroughly study and discuss this controversial issue—the pros and cons of the replacement process. Some comrades say that a delegate cannot get established in such a short time; others say it is sufficient time for the delegates to accomplish their work. This will be one point among all the other points to be analyzed by that commission. They are going to have to study it thoroughly because there are some issues on which we should not make mistakes. [passage omitted] [end recording]

More on 26 Dec AM Session

FL2612195191 Havana Radio Progreso Network in Spanish 1725 GMT 26 Dec 91

[Text] Perfecting the organizations of the People's Government was the first subject analyzed today in the 10th Regular Session of the Third Legislature of the National Assembly. Deputy Fidel Castro, president of the Councils of State and Ministers, is attending this meeting of the Cuban parliament.

Interest has been high in the many comments of the delegates, who have expressed the need to eliminate formalism and that the many structures of the country fulfill their corresponding role.

Many interesting views were expressed concerning the work of the presidents and executive committees of the municipal assemblies. Listen to the view of Daniel Rodriguez, deputy from Manzanillo:

[Begin Rodriguez recording] We believe that the Executive Committees of the People's Government should not exist. We already have agreed that, in the case of municipalities, the president of the assembly should govern through the administrative apparatus which already exists. In other words, the directors of enterprises and establishments are approved by the Peoples' Government in order to manage and the Peoples' Government should create, within its own structure, appropriate ways to govern and control the administration.

The Executive Committee is supposed to fulfill an administrative and governing role, but in practice it has not done so. We believe that the People's Government, with its president and assembly, should control the administration through the organs which have to appropriately form the structure of the government without the need of an Executive Committee. It already has complete economic and labor organs, which are finance, statitics, and labor directorate in order to control all that. There is the office of the public prosecutor. There is a complete apparatus, which should strengthen its control apparatus through the delegate commissions of the assembly.

There are some commissions that should be permanent and others that the assembly can form at appropriate times in order to control any administrative activity of their territory, including the sugarcane harvest and the food program. The delegates should be able to establish controls and analyze the situation through commissions of specialists which will allow them to bring to the assembly guidelines for control, suggestions, etc., so the administrative leadership gives a progress report to that specific government organ. [end recording]

It was also proposed that circumscription and provincial delegates serve a five-year term so that they really get involved in their work and thereby obtain better results. The work of the People's Councils was assessed as fundamental and very positive.

Upon ending this report, we can say that the guidelines suggested reflect, without a doubt, the problems and opinions of the population. The first agreement of this ANPP session was to give unconditional support to the package of measures recently adopted.

ANPP To Analyze Counterrevolution

FL2612233591 Havana Radio Reloj Network in Spanish 2036 GMT 26 Dec 91

[Text] The creation of People's Councils in Havana City and their activities in solving everyday problems were underscored at the opening session of the National Assembly of the People's Government [ANPP]. In this regard, the commander in chief referred to the first People's Councils that were organized in isolated areas where there was no government. He said that the 93 that currently operate in Havana City have a different purpose than the first councils that were organized. The professionalism of some members of the councils, their powers and abilities, and the possibility of establishing them in other cities such as Santiago de Cuba and Camaguey were aspects also analyzed by Fidel.

The 10th Regular Session of the ANPP will continue this afternoon at the Palace of Conventions with an analysis of criminal activities and counterrevolutionary behavior.

'U.S. Hostility' Reported

PA2712034491 Madrid EFE in Spanish 0154 GMT 27 Dec 91

[Text] Havana, 26 Dec (EFE)—Cuban Interior Minister General Abelardo Colome on 26 December accused the

U.S. Government of trying to "create an internal counterrevolution through its gigantic propaganda apparatus."

Colome presented at the 10th Regular Session of Cuba's National Assembly a lengthy report on criminal and counterrevolutionary activities. The local media carried excerpts of this report.

"The United States discourages Cubans, takes advantage of our difficult economic situation, and magnifies every detail to show that the events in the old socialist field are reaching Cuba," he added. U.S. intelligence services are constantly searching for information on our economic and domestic problems; they are looking for cracks, Colome said.

He told the deputies that they could rest assured because the U.S. Government has only been able to rally a few dozen individuals, and most of them are well-known counterrevolutionaries. "These individuals are rapidly trying to create a reputation for themselves with the Cuban exiles in Miami; they are stimulated by the anticommunist trend in the world," he said.

Colome said that the debates on crime at the Communist Party of Cuba's Fourth Congress held in October created a "favorable climate for defeating criminals definitively." The local media omitted a portion of the report that mentioned crime statistics. A marked increase in crime has been observed, however. Colome said the crime trend is increasing in Cuba, but that it is much lesser than in other countries, including the most highly developed countries, "which stand powerless in the face of violence."

Haiti

Benoit Comments on Prime Minister Nomination

FL2612220591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 26 Dec 91

[Excerpt] [Begin recording] [Unidentified reporter] Public opinion has noted divergent ideas in the suggestions of interested parties as to how the country should get out of its current political crisis. Much of the disagreement revolves around the choice of a new prime minister for Haiti. Victor Benoit, leader of the National Congress of Democratic Movements [Conacom], who is also one of the candidates for this post, admits he is aware of these difficulties. He believes that these conflicts are mostly limited to the Senate members who are political actors with strong opinions about the crisis. He does not believe that these political positions can prevent him from becoming prime minister, however, because not only do Conacom and the National Front for Change and Democracy [FNCD] have a great number of senators ready to ratify his nomination, but also because there are possibilities for alliances within Parliament.

[Benoit] Especially within a certain segment of Parliament—I cannot say it is all the senators because many senators are on our side—but Senate President Dejean Belizaire, and some senators who share his opinion, do not approve of my nomination. They do not at all encourage choosing me as prime minister.

You ask about the causes of these difficulties. Well, I can say that Dejean Belizaire, and the few senators who share his position, are not neutral persons in the political arena. They are catalysts, leaders of political organizations. They have their own positions; they have their own viewpoints; and in analyzing the crisis, offer their own solutions. Since the beginning, they have never agreed with the strategy of negotiated settlement.

[Reporter] Benoit denied rumors that forces within the country and abroad are opposed to his selection as prime minister. He said there is no evidence to support these rumors. He believes all these rumors come from the Senate, and are devised to prevent him from becoming prime minister.

[Benoit] I will tell you that they arise mostly out of the Senate, especially from those people connected to Dejean Belizaire. They have denied their involvement, blaming it on the Army. My dear, I must tell you that I have no evidence, no sign, and no information that the Army is against me. As soon as I knew that Father Aristide had designated me as prime minister, the first thing I did—because I am a responsible person—was to get in touch with the military hierarchy. I cannot say they have taken a stand for me, I cannot say they have taken a stand. They have a legal, constitutional position to maintain. But it pleased me when they said that because they are military, it is up to Parliament as a civilian power and as an institution duly placed for that to solve the problem, and that once the Parliament makes a decision—no in whose favor—they will respect it. I have no reason to doubt this, especially because I have never had any personal conflict with the Army, with any military. There are many within the military who know me as a moderate person. They know I am a faithful supporter of the 27 March Constitution. This means we agree to respect their institution, to respect their autonomy, and not to interfere in their internal affairs. They are also familiar with my social vision, that I grant a high priority to the underprivileged strata of both the civilian and military sectors.

[Announcer] Victor Benoit also spoke of polarization within the country, one trend that favors elections, and another that would like to have the constitutional order restored. Should the Parliament disapprove his selection, or Theodore's as head of government, the FNCD spokesman thinks it is the first situation that would win out over the second. He added that the country would then have no hope for getting out of its crisis. [passage omitted] [end recording]

Amnesty Granted to Precoup Political Prisoners

FL2612203291 Port-au-Prince L'UNION in French No. 587 24-26 Dec 91 p 3

[Decree issued by Provisional President Joseph Nerette, Prime Minister Jean-Jacques Honorat, Justice Minister Antoine Leconte, and Interior and National Defense Minister Gracia Jean at the National Palace, Port-au-Prince on 17 December]

[Text] Joseph Nerette, provisional president of the Republic, in view of Articles 136 and 147 of the Constitution; in view of the 26 September 1860 Law, modified by that of 26 July 1906, on exercising the right of reprieve, of commutation of punishment, and amnesty;

Considering that during recent years, until 27 September 1991, a climate marked by political conflicts, centered on hatred, violence, intolerance, and vengeance resulting in a deep division among the Haitian people, has reigned in the country;

Considering that the mission assumed by the provisional government of the Republic consists of bringing peace and concord back to Haitian families in order to create a climate that favors development of democracy in the country;

Considering that to reach this goal it is important to adopt measures of clemency toward all citizens who have been arrested, harrassed, tried, or condemned for political offenses or crimes between 16 December 1990 and 27 September 1991;

By decree of the Ministries of Justice, Interior, and National Defense, the following has been ordered:

Article 1. Full and total amnesty—with all proper reserves for the rights of third parties—granted to all citizens who had been arrested, harrassed, tried, or condemned for political offenses or crimes between 16 December 1990 and 27 September 1991;

Article 2. This order will be printed, published, and executed at the behest of Ministers of Justice, and Interior and National Defense, inasmuch as each one is concerned;

Presented at the National Palace in Port-au-Prince, on 17 December, during the 188th year of the independence.

Relations With Soviet Republics, Vatican Viewed

PA2412174191 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 24 Dec 91

[Text] Mexico will establish diplomatic relations with the Soviet republics requesting it, once the dissolution of the Soviet Union is completed; and with the Vatican, after amendments to Article 130 of the Constitution are formalized, Foreign Secretary Fernando Solana Morales has said.

[Begin Solana recording] Mexico has maintained relations with the USSR. We are now following events closely, and we will react to the changes that are taking place in that country. In due time, we will express our desire and interest in establishing relations with the republics requesting it. [end recording]

In his report for 1991, Solana Morales said that actions carried out in the foreign policy area strengthened Mexican international presence.

[Begin Solana recording] I believe we have kept that basic principle of being present everywhere, and of playing an active role. We want not only to be present, but to give Mexico the opportunity to play an active role in world changes. We are sure this is being accomplished. [end recording]

Regarding 1992, Solana Morales said that Mexico will continue to participate in world changes and will continue to support trade agreements, particularly the trilateral free trade agreement.

Foreign Secretariat on Relations With CIS

PA2612145591 Mexico City Red Nacional 13 Imevision Television in Spanish 1320 GMT 26 Dec 91

[Text] The Mexican Government has issued a document in the wake of the USSR's disappearance. A communique issued by the Foreign Relations Secretariat [SRE] states that the Mexican Government is attentively monitoring the establishment of a Commonwealth of Independent States [CIS] made up of some of the 12 republics of the former USSR.

It points out that the Mexican Government is willing to establish diplomatic relations with the new states based on the following criteria:

1. The formal extinction of the USSR's constitutional organs.

2. The filing of a request to the Mexican Government voicing a desire to establish relations.

3. The states' commitment to respect international law, the UN Charter, and international agreements signed by the former USSR, and

4. The consequences on international order and stability of the decisions that Mexico will adopt in regard to the establishment of diplomatic relations with those states.

The Mexican Government decided that its diplomatic representation will serve as coordinator of our country's contacts with the new international protagonists emerging from the extinction of the Soviet state.

The SRE reported that Ambassador to the USSR Carlos Tello was recalled for consultations. He will return to Moscow to implement the instructions he has received.

[Mexico City NOTIMEX in Spanish at 0050 GMT on 26 December states that the Mexican ambassador in the former USSR will visit the capitals of the republics that voice interest in establishing relations with Mexico to discuss possible cooperation agreements. It adds that Russia, Ukraine, Belarus, Kazakhstan, Azerbaijan, and Armenia are among the republics Ambassador Tello will visit]

Deputies Grant Legal Status to Churches

PA2512015791 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 19 Dec 91

[Report by Angel Armendariz]

[Text] [Announcer] After a debate lasting 25 hours, the Chamber of Deputies approved an Institutional Revolutionary Party [PRI] initiative granting legal status to churches.

Yesterday's session was historic. There were 25 hours of debate; 100 speakers took the floor. At approximately 2400, some members of PRI commented: The reform will come through.

[Armendariz] During an intense parliamentary debate lasting 25 hours, the parliamentarians made reforms, derogations, and additions to Articles 3, 5, 24, 27, and 130 of the Constitution.

The new legislation, which is now a law, gives legal status to ecclesiastic institutions, gives church ministers the right to vote, and authorizes laymen to teach religious matters.

The initiative was backed by the National Action Party [PAN], the Party of the Democratic Revolution [PRD], the Cardenist Front, and the Authentic Party of the Mexican Revolution. It was emphatically opposed by the Popular Socialist Party [PPS].

The initiative was approved by 380 votes in favor and 22 against. A total of 105 legislators from six political parties participated in the intense legislative debates. The deputies from the five opposition parties took the floor to try to exert influence and to implement changes on the initiative that modifies five constitutional articles.

According to the PRI, the new legislation has set the basis for a new relationship between society, the state, and the churches; a humane relationship, without pretenses, a relationship that does not go against the principles of the Constitution.

As PAN views it, the new legislation is insufficient, but admitted it ends antireligious statutes and strengthens democracy.

The PRD backed the religious pluralism of the new legislation and unsuccessfully demanded full political rights for ministers of religious orders. The PRD deputies fought the idea of giving the churches the right to own property. The parliamentary representation of the PRD spoke in favor of maintaining the secular, free, and obligatory nature of education in Mexico. It said that it accepts that private schools may give religious education.

The deputies of the PPS struggled alone for 25 hours to impede the reforms to the Constitution.

Alvarez Machain's Extradition From U.S. Urged

PA1812141391 Mexico City NOTIMEX in Spanish 0903 GMT 18 Dec 91

[Text] Mexico City, 18 Dec (NOTIMEX)—Oscar Loza Ochoa, president of the Commission for the Defense of Human Rights in Sinaloa, has said that Mexico must judge Humberto Alvarez Machain according to its laws, and therefore his extradition is necessary.

He added that the United Nations or the OAS must mediate to put an end to the violations of territory and laws by the U.S. Government. He said that the irregularities committed by that country in the case of Alvarez Machain "should be added to the violations of Mexican airspace by U.S. Department of State agents under the excuse of fighting drug trafficking."

He stressed that the United States must apologize to Mexico by releasing Alvarez Machain and that the United Nations and the OAS should demand his extradition so that he can be judged in accordance with Mexican laws.

Loza Ochoa said that he cannot determine if the $10 million bail established by U.S. courts for Alvarez Machain's release is correct. He said that the process against Alvarez Machain has been unlawful from the beginning since he was kidnapped by U.S. police agents in 1989 and taken to that country to be judged for his alleged involvement in the murder of DEA Agent Enrique Camarena.

Pemex Reports Oil Sales for First 10 Months '91

PA2112030991 Mexico City NOTIMEX in Spanish 0910 GMT 18 Dec 91

[Text] Mexico City, 18 Dec (NOTIMEX)—In the first 10 months of 1991, Mexican Petroleum [Pemex] received $6.185 billion from the sale of 1,371,400 barrels per day [BPD] of crude oil in the international markets.

The state-owned corporation exported an average of 334,600 BPD of light Isthmus oil to customers in America, Europe, and the Far East. Sales amounted to $1.853 billion.

The exports of Maya oil to these three market reached 874,700 BPD. These sales reached $3.337 billion.

Regarding Olmeca extra light crude oil, very popular in foreign markets for its quality and price, Mexico sold to the Western Hemisphere an average of 162,100 BPD and received $995 million from January to October.

Pemex pointed out that the average sales price of the three types of export crude oil was $18.22 per barrel for isthmus, $12.55 for Maya, and $20.19 for Olmeca.

Pemex said that 56.3 percent of all exports went to the United States, 17.3 percent to Spain, and 10.8 percent to the Far East.

El Salvador

Presidency Minister on Ongoing Talks in New York

PA2712021591 San Salvador Radio Cadena YSU in Spanish 1800 GMT 26 Dec 91

[Speech by Presidency Minister Oscar Santamaria, head of the Government Talks Commission, at the peace talks in New York on 26 December—recorded in progress]

[Text] ...on 26 December in New York to give you a brief report on the progress of the talks between the Salvadoran Government, the FMLN [Farabundo Marti National Liberation Front], and UN Secretary General Javier Perez de Cuellar.

The secretary general called this meeting in New York in an attempt to reach a final agreement that will lead to lasting peace. As we have said before, and as President Cristiani has reiterated, we have come to New York with the best intentions and the best attitude to make use of any resources made available by the secretary general that will help us reach final agreements on the various issues. These are issues that we have been [word indistinct] and that we have been discussing at previous meetings, particularly the San Miguel de Allende meeting. After that meeting, we said we would come to New York to discuss issues still considered complex and difficult. To resolve these issues, the positions to be set out at the negotiating table had to be reasonable and flexible. We addressed the FMLN specifically in this regard.

The FMLN has always been seeking things that are [word indistinct] and that are identified as complex and difficult issues, which I mentioned previously. For example, in the case of the National Civilian Police, the FMLN must comply with the New York agreements, which established the possible incorporation of former FMLN combatants. It is within the framework of the New York agreements that the FMLN's incorporation must be worked out and not by putting names on specific positions in keeping with its special interests or the interests of the sectors it represents. The FMLN must realize that we are talking about a police force for El Salvador; it must be a guarantee for Salvadoran society, not for the FMLN. If this issue is to be handled in accordance with the New York Agreements, the FMLN's position must be within that framework. The secretary general can find a formula compatible with the interpretation and development of the New York Agreements and present a formula as a possible solution as soon as the agreements are signed.

The FMLN has raised economic and social problems. Regarding the New York agreements, we have said it is possible to find a solution to the difficult, complex problem of the lands left in the areas where fighting continues. We said in New York that the solution must be satisfactory yet legal. The government cannot consider any FMLN proposals that fail to meet these guidelines. We have also asked the FMLN to be reasonable. The secretary general should be permitted to consider some of the possible proposals to settle these points.

As for the point we have been trying to make since the beginning, we presented to the secretary general the need to examine immediately the conditions for the cessation of the armed conflict or, as others have called it, a definitive cease-fire. We have said that this is one of the most important topics of the negotiations. This issue is directly linked to the end of the armed conflict. We told the secretary general that we are ready, not only for a technical-military agreement on this matter, but for a political one as well. Basically, the FMLN must disarm and demobilize for a definitive cease-fire. We have pointed out the need to draft a plan for these points because we cannot see how the FMLN can think of ending the conflict while the organization remains armed. This would not be the end of the conflict. We would be entering a different phase. We have said the government will not accept an armed peace and that we must have an integrated process, a sequence of actions, as part of what we describe as the irreversibility of the cease-fire. We must finally end the armed conflict, and the FMLN's disarmament and demobilization is necessary for this to happen.

We are in New York to try to find solutions to these complex and difficult issues. We told the secretary general that there is a negative and limiting factor in the search for agreements. This factor is time. We have a very short time. Today we are still trying to settle these points. We have progressed in the debate, but not in what we would describe as the substance. This worries us because time can finally prevent us from reaching a final agreement. We know that the secretary general's term in office expires on the last day of December. That is only six or seven days away.

If I were asked to assess the situation up to now, I would say that there have been debates and proposals at the negotiating table, but there is still no clear position that would enable us to say that a solution could be found in the next few days. We must make an effort. The government is prepared to make an extraordinary effort. We have made personal sacrifices, as I have said before. This does not matter because this helps the people to realize that we are doing our best and that we have the best will, best intentions, and best disposition to achieve peace if possible. It is also good that the Salvadoran people know about the level at which the meeting is taking place. Looking at the negotiations from the inside, we can see that there are probabilities and possibilities, but everything depends on the reasonableness and flexibility exhibited at the negotiations. If this is shown, there will be progress.

We will continue reporting to the Salvadoran people on what happens in the next few days. We will try to be as explicit as possible. Now we have given the people a summary. We ask the people to trust in the negotiating process because those of us who are direct advocates of

the process, as well as those who indirectly promote it, are making an extraordinary effort.

Thank you, Salvadoran people. We will be reporting to you.

FMLN Says Government 'Impeding' Negotiations

PA2712044391 San Salvador Radio Cadena Horizonte in Spanish 1815 GMT 26 Dec 91

[Text] The Farabundo Marti National Liberation Front [FMLN] has accused the Salvadoran Government of retracting in New York from points that had already been discussed. The FMLN says that this is what is impeding the signing of a cease-fire agreement. The FMLN warned that this government attitude may result in the continuation of the conflict.

According to Commander Carmelo, military commander of the FMLN's Southeastern Front, the official delegation at the talks that the FMLN and the Salvadoran Government are holding in the United Nations has modified its position on the National Civilian Police [PNC] issue, on the delivery of land to peasants in the conflictive regions, and on the incorporation of the FMLN into the country's political life. As Carmelo sees it, what the government says to the Salvadoran people is different from what it is saying in New York. In his opinion, the people must know these details so that they know to whom they should address their demand for an end to the war.

[Begin Carmelo recording] In the government there is a tendency to keep the people misinformed about what is really happening at the negotiations. The government says that the cease-fire and the signing of a final peace treaty depends on the goodwill of the FMLN. What is really happening is that the government has drawn back. It has created new situations at the negotiating table and has gone back from what it had accepted at a previous New York meeting. Because of this we cannot reach the end. If the conflict continues because agreements are not reached soon, we will have to say that the government and the Armed Forces are responsible. [end recording]

Commander Carmelo said that there was an understanding that the FMLN should form part of the PNC, but, he noted, now the government is not accepting that.

[Begin Carmelo recording] The government is retracting at the negotiating table from what it signed in New York in September. On that occasion, it was noted that it was necessary for the FMLN to participate in the PNC. Now the government is saying that there will be no FMLN participation in the PNC. Our position is that there must be a quota of FMLN participation in the new PNC. [end recording]

Regarding the land issue, Carmelo said that the New York agreement established that land would go to the peasants, but now the government is saying that that land would have to be sold, otherwise the peasants would have to be placed in less productive land. As the guerrilla commander sees it, none of these proposals is satisfactory because the demobilized people and their relatives would not have suitable conditions following the postwar period. As long as the reasons that forced the rebels to take up arms persist, the rebels will not put their weapons down, Carmelo said.

Another reneging by the government is the fact that it has proposed that the rebels join the country's political life 21 months after the cease-fire agreement is signed, Carmelo said.

[Begin Carmelo recording] The government has stated that for the FMLN to have political participation, 21 months must pass. We do not think this is right. [end recording]

The government's change of attitude will make a cease-fire agreement this year difficult, Commander Carmelo said. However, he hopes that this situation will change before the end of the year. Otherwise, the military situation could heat up again as a form of reaction by the rebels, who have seen no indication that the Armed Forces will cut down their activities in areas which Carmelo described as areas under guerrilla control.

Guatemala

Ministers on Future Relations With CIS

PA2412190491

[Editorial Report] Guatemala City Teleonce Television in Spanish at 1800 GMT on 23 December broadcasts a seven-minute report on statements made by Economy Minister Juan Luis Miron and Foreign Minister Gonzalo Menendez Park concerning Guatemala's future relations with the new Soviet republics.

Economy Minister Miron says that "Guatemala is affected by historical changes currently taking place in the world," adding that "the opening of markets is a fact." He notes that there are several new countries with whom Guatemala can have trade relations and to which it can export traditional products such as sugar, coffee, and bananas. In that regard, he says: "As a government, we must visit them and see if we can open those markets; the private sector, however, is supposed to go to those countries and offer their products." Miron finishes by saying: "I believe that the nineties will be a great decade for countries such as ours. Even though we have the U.S. recession looming over us, and even though U.S. unemployment is high, we believe that the economies in the Western world as well as in the East—in countries such as Russia, Ukraine, and the Baltic republics—will recover in the near future."

Foreign Minister Gonzalo Menendez Park, asked if it will be possible to establish commercial relations with each of the 15 Soviet republics, replies: "We believe so." He adds that Guatemala was planning to open an embassy in the USSR, but "that decision has been

postponed due to the changes taking place in that country." He stresses that Guatemala is interested in establishing diplomatic and commercial relations with the Commonwealth of Independent States, CIS. Asked if those countries will have an embassy in Guatemala, Menendez says "the current economic situation in those countries is very difficult. Therefore, many of those countries cannot afford to have an embassy in Guatemala." He says, however, that "diplomatic relations with those countries can be handled through their embassies in Mexico."

Government Minister Criticizes Guerrilla Attacks

PA2112142091 Guatemala City PRENSA LIBRE in Spanish 20 Dec 91 p 8

[Text] The bomb attacks that destroyed power pylons on 18 December show the true profile of the rebel groups. They are only demonstrating their hostile nature, far removed from the efforts being made to obtain peace, Government Minister Fernando Hurtado Prem said on 19 December.

The official said the damage done to the towers primarily hurts the Guatemalan people, who must suffer the consequences with the constant blackouts in the power system. In addition, he said, the terrorist action caused serious damage, because it costs about 100,000 quetzals to install a new tower.

The guerrillas, the official said, refuse to understand that the acts of violence only cause the people to reject their groups. Moreover, it has been fully proven that their theories have failed; but they insist on maintaining the ideology of deluded individuals, who are rejected by the international community.

The government, however, will maintain its peaceful nature and its efforts to continue the peace dialogues.

The Guatemalan National Revolutionary Unity must change its strategies and stop destroying what has cost so much for the noble people of Guatemala.

Support Group Reports on Coercive Recruitment

PA1812043591 Guatemala City EL GRAFICO in Spanish 15 Dec 91 p 8

[Text] Guatemala City, 15 December—The Mutual Support Group, GAM, has protested Civilian Self-Defense Patrol [PAC] actions and is demanding respect for human rights in the countryside, noting that PAC organizations continue to massacre peasants in various parts of the country.

In addition, the GAM demanded an end to the forceful recruitment of peasants by the PAC, stressing that it is a violation of the constitutional right to association.

The GAM also demanded an end to the militarization of rural areas.

The GAM made its demands in response to recent National Defense Ministry statements that PAC would be expanded and strengthened.

Although forceful recruitment practices have ceased, youths are still afraid to be out in the streets because they know that at any moment they could be apprehended and forced to join the PAC or sent to any of the garrisons in the country.

According to the youths' parents, the youngsters are needed to help with the coming harvest. The parents added that it was impossible to count on their children's help because the youths are being captured and taken to Army garrisons or to the PAC.

The parents stated that now that they can count on protection of their human rights, they anticipate it will be easier to secure their children's release since PAC will no longer be able to increase its ranks by recruiting youths.

Honduras

Article Lists Changes in Army Leadership

PA2512220291 Tegucigalpa LA TRIBUNA in Spanish 24 Dec 91 p 3

[Text] There have been several changes within the Armed Forces.

Colonel Francisco Bustillo Murcia was appointed manager of the Honduran Telecommunications Enterprise. Colonel Rolando Valencia will replace Bustillo as commander of the 1st Infantry Brigade.

Colonel Jorge Alberto Puerto Martinez will replace Col. Valencia as commander of the 6th Infantry Battalion, headquartered in Ojo de Agua, El Paraiso.

Colonel Oscar Fuentes Delgado was appointed commander of the Army Logistics Support Command. His successor as commander of the 4th Infantry Battalion, headquartered in La Ceiba, has not yet been appointed.

Cololonel Manuel Mejia Flores was appointed commander of the 10th Infantry Battalion headquartered in Marcala, La Paz, to replace the late General Danilo Carvajal Molina.

Colonel Peralta was appointed commander of the 5th Infantry Battalion headquartered in Trujillo, Colon.

Among the surprises, it was reported that Colonel Frank Davila Nolasco (who was commander in Trujillo) visited his former commander Colonel Padilla Bejarano at the Armored Cavalry Regiment.

Padilla Bejarano was shocked when Davila Nolasco handed him a letter from Armed Forces Chief General Luis Alonso Discua ordering that the latter replace him.

The Army only confirmed the "routine transfer" of Colonel Francisco Javier Lima Bueso to the 7th Infantry

Brigade headquartered in Cucuyagua, Copan, as commander. Colonel Hernan Seaman Elvir, who was a military attache in Argentina, will replace Col. Lima Bueso as director of Technical Military Projects.

It was known that General Danilo Carvajal Molina, who died tragically, had been appointed commander of the 105th Infantry Brigade headquartered in San Pedro Sula to replace Colonel Julio Armando Pavon.

The police have reported the transfer of Lieutenant Colonel Manuel Antonio Urbina, personnel director of the Public Security Forces, to director of protocol and official ceremonies.

Nicaragua

Recontras, Recompas Clash in Northern Jinotega

PA2112160091 Managua BARRICADA in Spanish 20 Dec 91 pp 1, 10

[Report by Nohelia Gonzalez]

[Text] Military tension rose to dangerous levels in Jinotega Department on 19 December when a group of 70 recompas occupied Wiwili and a group of recontras in Waslala kidnapped Leonel Ortiz, the Sandinist National Liberation Front [FSLN] political secretary in the region.

Prior to these events, there were intense clashes between armed groups in the Wamblan area when rural policemen and recontras attempted to seize a recompa enclave.

The recontra group, led by Douglas and Evenor, who are followers of El Indomable [Jose Angel Moran Flores], also kidnapped Evenor Arauz, who is second in command in the Waslala rural police, and an Institute of Natural Resources employee who has not been identified. The recontras reportedly took their hostages to Los Chiles.

Jose Rizo and Juan Valdivia, the government delegate and mayor of Waslala respectively, were involved in the 18 December kidnappings, which occurred at approximately 1745.

According to a communique issued by the FSLN secretariat in Matagalpa on 19 December, recompas and policemen clashed with a group of recontras who were in the vicinity on the evening of 18 December.

The communique announces the creation on 19 December of a commission of civilian authorities who will meet with the kidnappers. The communique also reports that the recompas, the Sandinist People's Army, and the National Police are searching for the kidnappers. The people are in a state of upheaval; if a prompt solution is not sought, we may face greater threats.

At noon on 19 December, the FSLN National Directorate condemned the incident.

The occupation of Wiwili took place because rural policemen aided by recontras attacked the recompa enclave in Wamblam at about 1600 on 12 December. The policemen and recontras left when the recompas entered the town, leaving the police command in the hands of the recompas.

According to reports from the Government Ministry, the recompas killed Wiwili Police Chief Eleodoro Splinger Valera in the clash; wounded two policemen, and kidnapped seven unidentified persons.

Splinger Valera was taken to Jinotega, where his wake will be held. His body will later be sent to relatives in his hometown of Chinandega.

The Government Ministry's top directorate has instructed the police to coordinate a plan with the Army to increase the number of policemen in the area. They have also been expressly instructed not to allow the occupation of properties.

Felix Pedro Arauz Osegueda, the Government Ministry's municipal delegate in San Rafael del Norte, said that the 19 December meeting between recontras and Monsignor Obando y Bravo's verification delegation was very useful in achieving peace in the war areas. .

El Indomable accepted the requests made by the verification delegation. The agreements will be confirmed at city hall on 21 December, when all of the mayors from the war-torn municipalities will meet with Government Minister Carlos Hurtado.

Arauz did not outline the agreement between the recontras and the verification delegation, but he said that they are very optimistic.

This newspaper attempted to confirm the government minister's arrival with Jose Augusto Lopez Chavarria, the departmental delegate, but his office told us that Lopez Chavarria had to make an urgent trip to Wiwili Municipality.

The San Cristobal Transportation Cooperative announced a few days ago that it will suspend operations when the recontras burn one vehicle owned by its members.

This decision went into effect on Wednesday, 18 December.

RN Urges Armed Groups To End Violence

PA2112171291 Managua Radio Corporacion in Spanish 2300 GMT 19 Dec 91

[Text] Commander Invisible, also known as Rodolfo Ampie, has told "Noticiero Cinco en Punto" newscast that the Nicaraguan Resistance [RN] is opposed to any wave of violence by armed groups such as the recompas, recontras, and the few civilians who have affected the

peasant population by committing robberies and thefts on the highways and towns of the country. Let us listen to Commander Invisible:

[Begin recording] [Ampie] We fully observe law and order, particularly during the Christmas season, which is a time of understanding, peace, joy, and uniting the Nicaraguan family.

I think that the supporters of El Indomable [Jose Angel Moran Flores] and other groups should put aside some attitudes that do not lead to reconciliation. We know for a fact that the supporters of El Indomable are being threatened by members of the Sandinist National Liberation Front, who have formed terrorist brigades called recompas. They are threatening the demobilized guerrillas, civilians, and producers, and forcing them to rearm themselves.

We do not justify actions against property belonging to the state or the civilian population, or actions against civilian security. For this reason, we call on everyone involved to reconsider some attitudes that do not favor the Nicaraguan people. Quite the contrary, the Nicaraguan people do not want more violence or blood.

We must cooperate to prevent the occurrence of incidents that affect the entire Nicaraguan population. I think that not only the former contras who have taken up arms again but also the civilian population and the government authorities must contribute in order to avoid an atmosphere of instability.

[Unidentified reporter] Commander Invisible, what would you tell the government in order to make it fulfill its promises to end the wave of violence?

[Ampie] Well, I would ask that the government take control of the situation. The government should enforce the law; law and order must prevail here, regardless of who may be involved. The Nicaraguan people want the government and its institutions to give the necessary guarantees so that we can live in peace.

If those who are at the helm of key positions cannot carry out their duties in an efficient manner, they must be replaced by someone who can. For example, if Humberto Ortega cannot control the Army, then he must be replaced by someone who can give orders, which must be obeyed. This will guarantee respect for Nicaraguan citizens.

[Reporter] What can you say about the attitude of Daniel Ortega toward instigating rebellion, strikes, and work stoppages?

[Ampie] This type of conduct is not appropriate now. We know that these actions and attitudes of individuals such as Daniel Ortega are out of line. Nicaraguans do not accept or tolerate such actions. This type of conduct is not seen as proper in any country. We know that these persons act outside the law, and they must be subjected to a judicial process for sentencing.

[Reporter] Thank you very much for sharing your views with us. [end recording]

Former RN Members Say Recompas Seized Workers

PA2412233691 Managua Radio Corporacion in Spanish 2240 GMT 23 Dec 91

[Text] Nery Masy Perez and Reynaldo Diaz Sanchez, former members of the Nicaraguan Resistance [RN] Southern Front, responsible for the development centers in El Rama, appeared at the Permanent Human Rights Commission [CPDH] on 23 December to deliver the following report.

At about 1830 on 17 December, 40 recompas arrived at Chalmeca hacienda on the banks of Rio Escondido and captured Hilario Perez, Leonel Alvarez, Mercedes Amador, Santana Urbina, Damian Herrera, Matilde Salablanca, Federico Laguna, Julio Laguna, and Pedro Pablo Laguna, 10 [figure as heard] RN demobilized individuals working at the hacienda. Repeat. These are the names of those captured by the recompas: Hilario Perez, Leonel Alvarez, Mercedes Amador, Santana Urbina, Damian Herrera, Matilde Salablanca, Federico Laguna, Julio Laguna, and Pedro Pablo Laguna. The latter, 15, was found in a river with his testicles and penis cut off, the soles of his feet were sliced with knives, and his scalp was removed. The body was also tied up.

An informant stated the group of recompas included Marco Sanchez, former Sandinist People's Army [EPS] lieutenant; Domingo Somoza, former EPS lieutenant and reportedly the group's leader; Manuel Velasquez, former EPS lieutenant; Victoriano Cardoza, a member of the Sandinist National Liberation Front; and members of the Pablo Ubeda and Maria Cristina Sandinist cooperatives, located south of El Rama. It was also reported that some 100 former RN members at Las Azuelas and Chalmeca haciendas left their working sites because they feel threatened.

Julia Castellon Lopez, Edgar Molinar Escandon, and Octavio Picado M. of the RN Southern Front leadership, acted as witnesses to the report, which was received by Lino Hernandez Trigueros of the CPDH.

Urban Front Demands Release of Former Contras

PA2412003991 Managua Radio Corporacion in Spanish 2300 GMT 19 Dec 91

[Text] The Commander 3-80 Urban Struggle Front of the Nicarao Battalion [Batallon Nicarao, Frente de Lucha Urbana Comandante 3-80] has given the government 20 days to release all members of the former Nicaraguan Resistance currently in prison under false accusations.

A communique issued by that military organization was distributed to all media sources in the capital so its contents can be known by the highest government authorities and by the Nicaraguan people.

The communique said that unless the demands made by the Commander 3-80 Urban Struggle Front are met, rifle fire will be heard again in Nicaragua, and this time in the cities.

The communique added that the commandos of that front have nothing to do with the bombs placed on the tomb of Carlos Fonseca Amador and other crimes actually carried out by Sandinist soldiers.

The communique notes that the liberty commandos are ready to struggle against injustice and subjugation under the so-called democracy propagandized by the government.

In the face of a new dictatorship, the former members of the Nicaraguan Resistance have no other choice than to pick up our weapons again and defend the electoral triumph of the National Opposition Union political alliance.

Panama

Committee Protests Handing Over Photos to U.S.

PA2012153491 Panama City EL PANAMA AMERICA in Spanish 19 Dec 91 p 1

[Article by Juan Pritsiolas]

[Text] The members of a committee appointed to examine General Manuel Antonio Noriega's G-2 files seized during the U.S. invasion has presented its "irrevocable resignation" and is protesting the U.S. decision to "usurp" documents belonging to the Panamanian Government. In a letter sent a week ago to President Guillermo Endara and released by lawyer Dr. Rodrigo Arosemena on 18 December, Father Xavier Villanueva, Bishop Oscar Brown, and Bishop Jose Luis Lacunza resigned from the ad hoc committee appointed by the government in 1990 to review part of the 15,000 boxes seized from the Panama Defense Forces.

The former members said the committee "was never formally announced or installed." They added that they were never given access to the aforementioned files. The committee members explained that they were summoned by the presidency of the Republic a month ago to discuss a U.S. request for photographs that would be used in the Noriega trial.

The former committee members said they "objected" to the channels used by the United States to request the photographs and maintained that Panama should have control over the type of photographs loaned to the U.S. justice system.

In light of the above, we presented our "irrevocable resignation from the committee" due to the physical, legal, and political impossibility of assuming responsibility for the past, present, and future of the boxes, the committee members said. The three former committee members said they do not want their names or the name of the church jeopardized, nor do they want people to build their hopes on a job that was never carried out.

Likewise, the former members of the committee protested the "attitude of the U.S. Government in usurping goods belonging to Panama, thus trampling on our sovereign and legitimate rights once again."

Poll Shows Anti-American Sentiment in 'Decline'

PA2612155191 Panama City LA PRENSA in Spanish 26 Dec 91 p 1A

[Report by Elkilia Santos]

[Excerpts] Only 31 percent of the population considers Panamanians to be anti-Yankee at heart, while 48.6 percent of the people expressed the opposite opinion, according to a poll conducted by the Dichter and Neira Company at LA PRENSA's request.

The poll, based on 931 individual interviews with Panamanians over 18 who reside throughout the country, revealed that 20.5 percent of Panamanians refused to comment on the issue. [passage omitted]

In a poll conducted last August, 33 percent of those surveyed said that Panamanians are anti-Yankee at heart. This demonstrates that anti-American sentiment continues to decline among the population.

National Assembly Passes Extradition Bill

PA2112142291 Panama City EL PANAMA AMERICA in Spanish 19 Dec 91 p 2a

[Text] On 18 December, the National Assembly sanctioned the draft bill "accepting the Inter-American Convention related to extradition adopted in Caracas, Venezuela, on 25 February 1981. This draft bill, which was recommended by the Ministry of Foreign Relations, was passed during the third round of debates.

The recommended extradition bill, which was ratified by the full assembly, has 34 articles. The objective of the bill is to promote an improvement in international cooperation related to judicial penal matters. It is also intended to avoid crime impunity and to bring about mutual assistance in penal affairs in a broader manner than is established by agreements that are currently in effect.

The bill clearly establishes the crimes that lead to an extradition, and when this type of mechanism does not proceed. It also establishes the procedure to follow in order to execute the extradition.

The bill excludes the turning over of national citizens, provided that it is covered by the legislation of the country that is being petitioned. The signatory countries to the treaty may negotiate among themselves agreements related to the mutual surrender of citizens of each country, even though they may have been sentenced in another country. Thus, the extradited person will be allowed to complete the sentence in his country of origin.

This bill does not repeal multilateral treaties currently in effect. However, the contracting parties are entitled to decide whether or not they wish to continue with those treaties.

Papa Egoro Criticizes Day of Reflection Decree

PA2112035291 Panama City Circuito RPC Radio in Spanish 0255 GMT 21 Dec 91

[Text] In a communique released on the occasion of the second anniversary of the U.S. intervention in Panama, the Papa Egoro Movement, headed by composer and singer Ruben Blades, criticized the government decree declaring 20 December a day of reflection. The U.S. invasion of Panama is still being felt and emotionally dividing our people, despite the silence of the government, which refuses to admit and face the psychological and spiritual harm inflicted on our people, the communique stated.

The movement says that to ignore the grief of the relatives of those who fell on 20 December, is to act against the nation. The communique added that the reflection that the government advises will lead nowhere if it is not accompanied by the willingness to act. Papa Egoro urges everyone to abandon party disagreements, selfish feelings, and social indifference. The communique is signed by Secretary General Gonzalo Moncada Luna.

Article Views Cuban 'Interference' in Country

PA2612224891 Panama City EL PANAMA AMERICA in Spanish 26 Dec 91 P 4A

[Article by Juan Carlos Galesio Navarro]

[Text] Top officials of the Panamanian Government have said that relations with the Marxist Cuban Government are currently at "their lowest level." Foreign Minister Julio Linares even said that "relations with that country are inexistent." These statements are contradicted in practice, and everyday we have pathetic proof of the legacy left by those relations.

Despite the reduction of diplomatic personnel at the Cuban Embassy in Panama City, Cuba maintains an active presence in our country. The level of Cuban activity is normal, as in other Latin American countries. Those activities include Cubana de Aviacion, a commercial airline with offices in Panama City, as well as other businesses in Panama City and the Colon Free Zone.

One of the "benefits" Panama has obtained from those relations has been an offer from the Cuban Government to the National Institute of Sports (INDE) of a baseball trainer; the INDE accepted the offer.

Once again, Cuban interference in all aspects is disguised.

Without going too far, the Argentine Government rejected the entrance of eight Cuban agents who, disguised as "tobacco experts," were going to the Province of Tucuman, 1,800 km from Buenos Aires. Tucuman was the center of an undeclared civil war provoked by rebels financed by Cuba between 1975 and 1977.

In Panama we have the specific case of high-ranking Cuban officers disguised as merchants who traveled to the isthmus to promote drug trafficking and money laundering. Who guarantees that today the managers of Cuban enterprises appointed by that government are not promoting old ties that supposedly no longer exist?

One of the vehicles used by agents of the America Department for their covert operations in Panama—a yellow Toyota station wagon with polarized glass—was transferred to Cubana de Aviacion following a personnel reduction at the Cuban Embassy in Panama.

There have been reports in Panama of hidden weapons. It is a known fact that those weapons came from Cuba; hence, it is obvious that the Cuban Government should know where those weapons are.

There have been reports of destabilization plans by soldiers who were close to General Noriega and who are considered leftists. Some examples are Chalo Gonzalez and other members of the former regime who traveled from Panama to Peru under the protection of the Caracas Agreement on Diplomatic and Territorial Asylum. Top Panamanian Government officials have said that Chalo Gonzalez and other former officials could be in Cuba. Where did the destabilization plots come from then? There were recently diplomatic quarrels between Panama and Peru and between Panama and Ecuador, because some of these soldiers have left Peru and some of them are in Ecuador. Peru and Ecuador were the victims of Cuban meddling. Cuba had promoted the departure from Panama of the soldiers—who had sought asylum—to Cuba and Ecuador. A large Cuban intelligence and counterintelligence group is based in Ecuador and is headed by a "bigwig of the America Department," a diplomatic source told this analyst recently. This key official, who resides in Ecuador, coordinates the activities of the pro-Castro Tupac Amaru Revolutionary Movement in Peru and the Ecuadoran left, and also advises the Simon Bolivar National Guerrilla Coordinating Board.

Venezuela is the base of another large Cuban operations center. Panamanian and Cuban agents who work for Castro in Panama, to avoid being "exposed," forwarded their reports and correspondence to someone named Eric Lazo at Urdaneta Avenue, de Abanico a Pelota, Alba Building, Apartment 6, Santa Rosalia, Caracas, Venezuela.

Speaking of apartments, Martin Tomas Cala, the last person who was in charge of the America Department in Panama and who enjoyed diplomatic immunity, resided in the Aviv Building, F Street, El Cangrejo neighborhood, with telephone number 69-6743. The owners of

this apartment are relatives of a late leader of the Democratic Revolutionary Party.

The so-called nonexistent relations have served the Cuban Government well because it uses its diplomatic courier as a means of communications between outsiders and insiders. If Panama broke diplomatic relations with Cuba, there would no longer be trafficking of Cubans here because this huge business undoubtedly originates in Cuba. Cuban officials allow fellow citizens to leave their country and always receive some kind of compensation in return.

Moreover, Panama should stop giving economic assistance to a Marxist government of liars and corrupt men who in no way try to meet the most pressing needs of the Cuban people. Cuban Marxists are used to doing things unto others and not having them done unto them. Now is the time for not only Panama, but all of Latin America, to "settle accounts" with the Cuban Government by breaking all ties with a government that has divided the Latin American family. Our relations with Cuba have brought about bloodshed, death, drug trafficking, corruption, and money laundering. It is important to keep in mind that international kidnappers, subversive groups, and narco-mafias have a sanctuary in Cuba.

Cuban meddling has radicalized governments, such as those of Grenada and Panama, and has provoked U.S. invasions in those countries.

Argentina

Menem Cites 'Affection, Admiration' for Gorbachev

PY2612235091 Buenos Aires TELAM in Spanish 2314 GMT 26 Dec 91

[Text] Buenos Aires, 26 Dec (TELAM)—President Carlos Menem addressed today to his former colleague in the USSR, Mikhail Gorbachev, his "expression of affection and admiration" for the "historic role that you have undertaken" throughout the past few years.

In a letter that was released by the Foreign Ministry this afternoon, the Argentine chief of state considers that "relations with our country were benefited by a considerable boost during your tenure as head of the USSR."

The letter to Gorbachev adds: "Your tenure as head of state represented a very important landmark in humanity's march toward overcoming the Cold War and consolidating peace; therefore, a debt of gratitude to you exists."

Finally, Menem formally invites Gorbachev to "visit the Argentine Republic at your convenience," and he also sends "cordial greetings to your wife, Raisa Gorbachev."

[In a similar article, Buenos Aires TELAM in Spanish 1931 GMT 25 Dec 91 reported: "Gorbachev's resignation," Menem said, "does not in any way mean his political career has come to an end. He is a man in whom we can place a lot of hope in the case of Eastern Europe if we take into account his intentions: justice, peace, and freedom for all peoples of the world."]

Moldova, Uzbekistan, Tajikistan Recognized

PY2712014291 Madrid EFE in Spanish 0103 GMT 27 Dec 91

[Text] According to a communique released by the Foreign Ministry, Argentina recognized today the Commonwealth of Independent States, which "is a continuation of the USSR."

President Carlos Menem's administration also recognized the republics of Moldova, Uzbekistan, and Tajikistan, while it continues to study the situation of the other nations of the old USSR, which have not yet requested recognition.

Foreign Minister Guido di Tella stated that recognition of Armenia's independence could occur soon "because there is a very advanced study" of that republic.

Argentina recognized Lithuania, Latvia, and Estonia, former Baltic republics of the USSR, on the day they gained their independence.

Trade Balance Shows $3.5 Billion Surplus

PY2712003091 Buenos Aires TELAM in Spanish 2132 GMT 26 Dec 91

[Text] Buenos Aires, 26 Dec (TELAM)—According to a report released by the National Institute of Statistics and Census, INDEC, the Argentine trade balance showed a surplus of $3.568 billion in the first eight months of this year, 40.4 percent less than the same period in 1990.

Exports reached $8.091 billion, 3.4 percent less than the same period last year. The main products exported abroad were vegetable products for $2.159 billion; food products for $1.392 billion; and edible oils and fats for $869 million.

Imports reached $4.523 billion, 89.5 percent higher than the same period in 1990; $2.008 billion were for intermediate goods, and $811.9 million were for capital goods.

According to INDEC estimates in September, the trade balance surplus would be $267.6 million, 61.7 percent less than the same period last year. By September, exports would reach $9.169 billion and imports $5.332 billion for the first nine months of this year.

* Political Impact of Future Economic Measures

92SM0144A Buenos Aires LA PRENSA in Spanish 24 Nov 91 p 7

[Report by Sergio Crivelli]

[Text] The president's visit to the United States was played in two arenas. One in the glare of TV lights, when George Bush gave the Argentine chief of state the deferential treatment he reserves only for allies. In the other, a vital question was discreetly settled: whether Argentina's noncompliance with the economic adjustment process might cloud the results of a visit on which the Peronist administration had placed its hopes, and thus, whether Menem would come back home emptyhanded.

That did not happen. The U.S. government heard the request for aid and intervened with the IMF, resulting in the statements and the communique dragged out of the international organization about a possible $3 to $4 billion loan which Argentina might receive next March and its "qualification" for the Brady Plan.

This obviously did not come for free. Next Wednesday the IMF president, Michel Camdessus, will be in Buenos Aires to see why his technical people are saying that the economic team has not met its obligations arising from the modest "standby" loan in progress now, and why a waiver should be requested for not eliminating the government deficit which is now being covered through resources generated by privatizations.

In this new round of negotiations with the Fund, the Menem administration will be confronting three negative factors:

1. It has already used up its political capital in Washington and it will be harder for it to again rely on political support to justify not being in compliance and not seeking a waiver.

2. Experts say that pressure from creditor banks lies behind the Fund's requirements for Argentina to eliminate its government deficit. The banks are demanding that revenues from privatizations go to pay back overdue debts, and not to balancing government accounts.

3. To satisfy the IMF's demands—with or without a waiver—the economic team will have to tighten the screws of the adjustment, for otherwise it will not be able to comply with the even more stringent goals of the "standby." And if it does not comply with the "standby," it will not have a $3 billion loan, and it certainly will not be involved with the Brady Plan, no matter how cordial George Bush's relations with Carlos Menem may be.

Government Employees and Retirees

Under these circumstances, everything suggests that the approaching adjustment will be extremely harsh, so that the government will get a green light from the IMF in February to make the much desired expanded features loan a reality. Some indications of this are already beginning to appear.

a) In December two opposing events are going to clash: the goals agreed upon with the Fund are very stringent, and the Christmas bonus has to be paid to government employees. The minister has said that this month's salaries might be paid in January.

b) Despite the political cost, Carlos Menem will veto the law approved by Congress providing payment in cash to retirees who have won settlements against the state, and have a firm ruling in their favor. Ergo, Cavallo will save $40 million.

c) A major effort will be made for the provinces to get some money. Many governors are taking office on 10 December and they will not find a penny in the cash box to pay the Christmas bonus. It will be hard for them to get it from Cavallo.

d) Despite all the promises to the contrary, the president has approved having revenues from sales of armed forces property be used to cover the needs of other state sectors. The military will have to wait.

e) The DGI [General Directorate of Taxation] will increase pressures to collect more by using a cross-checking system and a single form.

f) There will be more layoffs of state personnel in areas where this process has slowed down: in Argentine Railways, for example.

Radicals: a Reaction Brewing

The new tightening of the screws that Domingo Cavallo's team is preparing will certainly be energetic. It is not yet known if there will be any internal resistance, since to date those opposed to the current economic policy have been remarkable through their absence.

In recent days the radicals have begun to show signs of reacting and internal reshuffling to face the Menem model, and they are attempting to emerge. Alfonsinism, in particular, has begun to get itself together and it is showing signs of greater vitality than some other sectors of the UCR [Radical Civic Union] which seem inclined to go along with the government.

How did this happen? Basically through Alfonsin's resignation from the national committee. That move freed his hands to create an opposition pole to the government without being in a party leadership position and having to represent Eduardo Angeloz or Fernando de la Rua who obviously disagree with his ideas.

That is why Angeloz supported the candidacy of Horacio Jaunarena for chair of the national committee. The former defense minister—who in the last internal party election had run on the same slate as Alfonsin—would have meant continuity with the former leadership, thus tacitly compromising with the former president. So Alfonsin told his men to vote for Mario Losada, inflicting a new defeat on the Cordoban governor.

At the same time Alfonsin, freed from the national committee, was delivering a harsh broadside against people in his own party. "I am ashamed of leaders who go on television and can not summon enough energy to swim against the tide." Angeloz and De la Rua were the targets of this barb which, based on its size, looks more like a sledge hammer.

Alfonsin's people in Congress are prepared not to vote for De la Rua as president of the national deputies bloc. They have more than 30 of a total of 85, and it would be a setback for the former senator if almost 40 percent of his party withdrew their support from him.

Separated from the bloc leadership, the Alfonsinists might also undertake an opposition strategy that does not fit in with De la Rua's plans. He wants to use the scenario and structure offered by the chairmanship of the major opposition bloc of the Lower Chamber as a springboard for a presidential race in 1995. That plan, though, might crumble if placed up against a group of unmanageable deputies like Vanossi, Rodriguez, Baglini, Moreau, etc.

So everything seems ready, when on 10 December Alfonsinism sheds the last trappings of power (and of the blame that has adhered to it since 1989) to start the opposition job outside. It believes it has two key requirements for doing this. First of all, it represents the only force with an alternative plan to the government's, and to De la Rua and Angeloz, who agree with the essentials

of the present model. Moreover, the Alfonsinists believe that the adjustment process with no end in sight will finally work against Menem if he continues to give in to the demands of foreign creditors, demands which are growing geometrically.

* Manzano Announces Dismissal of 500 Policemen

92SM0165A Buenos Aires LA PRENSA in Spanish 30 Nov 91 p 1

[Text] Interior Minister Jose Luis Manzano stated yesterday that the Argentine police force will discharge 500 officers at the end of the year in an effort to "self-purge" the force.

In an interview with foreign journalists, Manzano said that the chief of the Federal Police, Commissioner General Jose Passero, "is at the head of the self-purge" of the police.

"Using this power, one can discharge police officers without being very specific as to the reason why," stated Manzano.

He said that officers who have incidents with citizens on their records, or who "have worked for a long time in places where there was malfeasance or insubordination" will be let go.

Manzano added that "every year the police conduct a clean-up, but this year it will be a major one."

The announcement of the dismissals, which will affect a mere fraction of the total force of 36,000 men, comes just four days after the minister announced that a band of kidnappers had been discovered within the very ranks of the police.

In yesterday's interview, Manzano said that the authorities have arrested 14 suspects in connection with the kidnapping of at least five people since 1979. He added that three of the suspects are active police officers, eight of them were forced to retire, and three of them are civilians.

The minister said that all the suspects have confessed to their roles in the kidnappings, and it is believed that some military officers are involved as well.

"This group learned to operate outside the law during the period of illegal repression, and afterwards it continued operating outside the law on its own," stated Manzano, referring to the military regime that ruled Argentina between 1976 and 1983.

"The motive was to make money so they could live like rich people," stated the minister.

Authoritarian Vision

He added that the members of the group "are imbued with an authoritarian and fascist vision of society, which they also learned during the period of illegal repression. Also, they are anti-Semitic."

"The anti-Semitism can be seen in the fact that of five kidnap victims, four are Jewish; the demographics of Argentina would not naturally result in such a statistic," he said.

"Out of five kidnap victims, not a single one would be Jewish if there had been no discrimination," he declared.

Manzano stated that the kidnappers humiliated victims Sergio Meller (1984) and Mauricio Macri (September of this year) by forcing them to shout, "You are the best!" as they stood nude before their captors.

He stated that the Meller family paid a ransom of $2.5 million, and he believes the Macri family paid about $5 million, although the family denies having paid any money for Mauricio's freedom.

The families of the three previous kidnap victims paid between $500,000 and $1 million each in ransom, he said.

Manzano said that the kidnappers, who allegedly included police commissioners, the technical chief of the Federal Police, and some private bodyguards, "believed that no one would ever come after them."

The interior minister stated that the government and the Federal Police are "setting up a mechanism of monitoring and contact" with the police force, and added that "there are some people who simply should not be carrying weapons."

* Traditional Labor Practices Changes Analyzed

92SM0165B Buenos Aires LA PRENSA in Spanish 2 Dec 91 p 5

[Report by Agustin Perri]

[Text] The fate of the major labor federations throughout the world is apparently that they will never reach the oft-mentioned "monolithic unity" that has been proclaimed and promoted so vigorously. If we leave out Peron's first two presidential terms, when the labor federation (one of several that existed simultaneously, as they always have in our country) strictly obeyed the instructions and desires of the founder of Justicialism, merely by observing the attitudes of the blocs or groups of unions that make up the labor movement as a whole we can see that there is no such monolithic unity.

There was a time that some nostalgic types call the "diarchy" (di = double, archy = government). They use this term to draw a parallel with the Greek and Roman institutions. During this period, which reached its height under the government of Dr. Illia, Jose Alonso and Riego Ribas served jointly as general secretaries of the General Confederation of Labor (CGT), which at the time was not totally Justicialist. It was the CGT of the "Battle Plan of Occupying Factories," a formula that was never again used very widely, not even during the 13 strikes that the CGT "awarded" to the Alfonsin government.

Total unity was not achieved during that more recent era, either, despite the attempts and political pressures, and despite the obvious need for revenge among many Justicialists. Since that time, the possibility for unity and joint action diminished over time. What was never forgotten was the tactic of portraying as "the sole viable solution the existence of a single CGT."

This was the slogan for the sector that rallied behind Saul Ubaldini and accompanied him, although followers were deserting in ever larger numbers, throughout a long term that was terminated only by the electoral escapade and the serious setback suffered by that labor leader.

Persistent Dream

During the meetings with Labor Minister Rodolfo Diaz and the journalists who covered labor, the cabinet secretary who launched the "profound change" stressed the need to "leave the contenders alone." This statement reflects a policy of not taking action unless extremely critical issues are at stake (wages, social projects, assistance, working conditions). Focusing on these four issues is not at all a departure from the norm.

What is a departure is the government's determination not to make serious commitments to either side during a period of negotiation. All official functions in the labor sphere are channeled through the Labor Ministry. There have been many times in our past when the labor minister tried to be nonpartisan and professional as a matter of principle in all talks. Names such as Rubens San Sebastian and Hector Francisco Villaveiran come to mind as examples of this approach, which survived successive election campaigns but almost disappeared as a result of the alliances, secret agreements, and commitments. "The ministry should be a guarantee of equity and good judgment, nothing more. There should be no intimidation or disrespect, much less conditions imposed for the sake of a certain ideological conformity. The problems dealt with here are natural in a republic, and cannot be slanted to one political side or another. The issue of labor is timeless and nonpartisan." These are not the words of a government official, but of a trade unionist. The attitudes of today are light years away from those of just a year ago. Raul Amin, general secretary of the CGT that is recognized by the government, said just a few days ago, "Pain has no race, creed, or political affiliation," in a statement on the causes of disappearances during the guerrilla era. He maintains that we must keep up with the times and stop trying to solve problems that are fading into history.

The time is right for dialogue. Every week we see new outbreaks of intransigence. Service is shut down on two or three railroad lines; the measure is declared illegal, but the work stoppage is not called off. All that happens is that a warning is issued that from then on, workers may be discharged without severance pay or fired for cause. That is enough. Some protests are lodged, the workers claim they will ignore the illegality, and in the end, it is decided to "accept proposals." And the trains start up again. The average citizen is very aware of what is going on ....

To be sure, we need to iron out some wrinkles. A few days ago an official of a transportation company asserted that "the improvised buses are not worthy of an urban transit system that is considered one of the best in the world." This statement may contain some of those damaging wrinkles. It is enough to talk to commuters on the capital microbus lines and to observe the urgent need to extend the subway service.

Right Move

The Labor Ministry now has a new undersecretariat, that of Labor Relations. It was placed in the hands of labor attorney Dr. Anselmo Riva, currently regarded as "one of the most important professionals in the area of labor relations in Argentina." He began specializing in this field straight out of law school, and served as national director of labor relations. In that capacity he enjoyed the inestimable support of another specialist, Juan Alberto Pastorino, who until yesterday was head of that national office. During Hector Francisco Villaveiran's term as minister, he was a member of what came to be called "the deluxe ministry" at the time. Although he officially severed his ties with that entity, he had to be in constant contact with the ministry because of his expertise in specific fields. This circumstance was always accepted by both labor and management, a rather rare occurrence, even though he was involved in some very difficult matters, such as the strikes in the railroad, automotive, banking, and metallurgical sectors. The new undersecretary also worked as a divisional industrial relations agent at Alpargatas SAIC [expansion not given], and as a legal, labor, and union adviser for Textil Formoso, Alpesca, Tejidos Argentinos, and the Textile Industry Association of Uruguay. His inaugural ceremony, unexpectedly interrupted by a power outage, was a sign of the times in the labor sector. And without a doubt, it was a good omen of what is to come.

* Alfonsin's, Angeloz's Strategy Viewed

* Alfonsin's Plans

92SM0164A Buenos Aires LA PRENSA in Spanish 4 Dec 91 p 7

[Article by Daniel Lupa]

[Text] If something was lacking to complete the picture, the designation of De la Rua as president of the bloc confirms the generalized impression in the ranks of the UCR [Radical Civic Union] that Alfonsin retains a large share of the power, despite a lack of votes in the party's rank and file.

The designation of Losada to head the National Committee was an indication that Alfonsin is not inclined, as he said he was, to leave the leadership and that he does

not intend to guide policy by changing the representation on the Committee but rather, in his best style, by forming coteries of power.

The composition of the vote which elected De la Rua chief of the bloc of deputies—as well as his decision not to run for the Senate (a subject which permits, in passing, a different interpretation that will be explained below)—reveal to radical circles a kind of De la Rua-Alfonsin understanding planned perhaps as a foundation more solid and, perhaps, more enduring than might be supposed.

The sacrificial goat seems to be Angeloz and his presidential candidacy. Alfonsin would be prepared to play De la Rua's cards in order to keep the De la Rua-Angeloz front divided. On his part, De la Rua needs to consolidate his weakened situation within the balance of internal forces without concerning himself over the kind of alliance that might nurture his political survival or the future risks he might run, taking into account the past history of his new allies.

De la Rua, Alone

The composition of the vote of the deputies who elected De la Rua as president of the bloc is evidence of his weak influence in the national party. An examination of the team that will lead the bloc demonstrates the isolation of the new president: with the support of alfonsinism and ex-alfonsinism (Baglini, Victor de Martino, Marcelo Bassani and Oscar Machado) and two "federals" (Hector Segui and Anibal Fernandez), De la Rua would have been unable to include "his own men".

The situation was described by members of the bloc. "There was no deliberate exclusion nor political obstacle. It was rather a practical impossibility", commented ironically one who is not known as an enemy of the ex-senator. "The problem is that Fernando has no deputies of his own, or else, those he has been able to 'place' inside are very secondary figures".

Whether or not this analysis is correct, it is certain that, for now at least, no "delaruist" sub bloc could emerge that would be able to give De la Rua freedom of action or could shield him from the influence of an alliance of which he forms part, and in which he is in evident minority.

Jaroslavsky did not have his own faction, which did not prevent his presidency of the bloc from being among the most efficient. But the UCR's political situation, especially during the last eight years, characterized by complete subjugation to Alfonsin's dictates, make the difference: De la Rua's designation was seen equivocally as the anointing of a political chief or an eventual future candidate.

The missing ingredients seem to be more important than those implicitly present. De la Rua could get along without a faction of his own on the condition that he allow other leadership, like Jaroslavsky, who propped himself up on Alfonsin's orders, of which he appeared the mouthpiece. A leadership without a base recreates the anomolous situation that forced Alfonsin to resign as head of the PEN [National Executive Branch] and party chief.

Angeloz In The Sights

To have permitted this situation, acceding to a leadership of form and limited authority, is an opportune move for De la Rua: it extracts the greatest benefit from the limited circumstances that realities impose on him. It equates him, in a formal sense of political power balance, with the person who seems now to be his main adversary: Angeloz.

This repositioning of De la Rua in relation to Angeloz in terms of power, with the support of Alfonsin, speaks implicitly of the benefits that the plan accrues for Alfonsin, himself. Without leaders of stature that he might exclude from his unfortunate administration at the head of PEN, Alfonsin needs a figure who seems unconnected to him. De la Rua fulfills this basic condition, despite the fact that he was just one more follower of Alfonsin's government.

If this figure, in addition, lacks political power in his own right, the affair obviously will be less risky for Alfonsin. Influencing De la Rua as president of the bloc will be less important than keeping the initiative on candidacies in 1993. To threaten the candidacy of De la Rua in order to weaken Angeloz (and force him to negotiate) seems to be Alfonsin's strategy.

The Porteno Senatorship

For his part, De la Rua will not be able to aspire to a candidacy without putting his prestige and his ability to maneuver to the test.

In principle, this situation cannot be put into play in 1992, when the senator for the capital is elected. There is a possibility—if the radicals retain their electoral patrimony, which seems to be in doubt even in radical circles, for reasons which will be seen—for two alternatives: a) to win a victory and emphasize that it is due to the support of the ex-senator; b) if the radicals, as the delaruists fear, were to lose the district, emphasize that "without the candidacy of De la Rua" the radicals have no chance of winning.

Delaruist circles await with anxiety the eventual candidacy of Avelino Porto to the senatorship: "It would be like waging a battle in our own back yard, because the ex-minister is well known in areas where radicalism easily and traditionally dominates." The observation comes not from a legislator but from one who has fought electoral battles.

* Angeloz's Plans

92SM0164B Buenos Aires LA PRENSA in Spanish 2 Dec 91 p 3

[Text] While radicalism delays its internal debate to remake its image from the opposition, the governor of Cordoba, Eduardo Angeloz, is beginning to sketch the outlines of a strategy with a fixed goal: to become a presidential candidate once again.

A recent political move of his emerged as a clear signal of that renewed aspiration and gave notice that his ambitions do not exclude the option of sowing seeds outside the UCR [Radical Civic Union], where a difficult struggle still awaits him with a National Committee, still under control.

The Corrientes Case

It was no accident that Angeloz was the only radical leader who supported the Autonomist-Liberal Pact in the dispute with justicialists and radicals that the autonomists sustain in Corrientes following the tie registered in the Electoral College that must elect the new governor of the province.

In open disagreement with the radical electors aligned with justicialist Alberto Di Filippo, Angeloz invoked the "radical tradition" of respecting plurality in the results of indirect elections, thus giving breathing space to the pact, now trapped in the very legislation that it fathered.

Advised of the good reception that the administration of Carlos Menem achieved among many of the provincial forces that followed him from the Independent Federalist Confederation (CFI) in 1989, Angeloz aims at limiting the growing influence of justicialism in that area.

With that concept, he made an initial approach in the Corrientes area, counting on a worsening in relations between the Roman Ferises and the national government, following the outbreak of the complicated dispute in Corrientes.

Other Political Calculations

He may also be calling upon some other apparent subtlety to try to sound out the followers of Senator Leopoldo Bravo, whose political hegemony in San Juan was damaged last August by the justicialists.

The meager electoral results obtained by the UCR in the interior of the country complicate any future political calculation, if the party founded by Menem fails to regain allies among the provincial groupings.

Convinced that immobility is no good friend of politicians, Angeloz is beginning to make manifest his medium-term intentions while he continues to meet obstacles inside the party, although he believes that time is on his side.

The leader from Cordoba is calculating that if the political plan designed by President Menem takes shape, radicalism will have no choice but to wage the electoral battle of 1995 from a position close to economic reconversion. He obviously believes that, in that case, his attempts to become a presidential candidate again will be notably reinforced.

* Political Background of New Health Minister

92SM0144B Buenos Aires CLARIN in Spanish 16 Nov 91 p 7

[Text] The days—1971—are long gone when, as leader of the Nationalist University Movement of Cordoba, during oral arguments in his trial for possession of explosives and large-caliber ammunition, he left his anticlimactic defense attorneys, the pro-Alfonsinist radicals Hipolito Solari Yrigoyen and Marcelo Stubrin and the combative Peronist Mario Landaburu, stunned and staring in amazement.

First he admitted possession of the explosives; then he declared his group would wage a war to the death against "the Social Christians, Marxists, and high priests of the Third World who have infiltrated Peronism."

Julio Cesar "Chiche" Araoz is now one of Carlos Menem's people who has displayed the greatest conviction in taking on the liberalizing "modernization" of the presidential model.

His early "bright-red" Menemism has followed a trajectory similar to that of many of Peronism's hard-line far right activists in the 60's and 70's.

He came from "orthodox" Peronism, an enemy of the "revolutionary tendency." With him were "ultraverticalist" people like Isabel Martinez de Peron and Jose Lopez Rega, and even an official of the last federal intervention in Corboba before the 1976 military coup, Brigadier Horacio Lacabanne, after the events leading to control by Ricardo Obregon Cano and Atilio Lopez.

In 1983 he was elected a national deputy and shortly after starting his term in office, while he was launching biting attacks against Raul Alfonsin's administration's oil and nuclear policy, which he called "lame," a serious charge was made against him, of complicity with the illegal repression of the past military regime, through the sale of furnishings of arrested-disappeared people; he was alleged to have acted with the man in charge of the La Perla concentration camp, Captain Pedro Bergez.

That charge was never proved, and the people who spread it were punished by the courts. But his star appeared to be dimmed when the Peronist renovation began to dominate, and with it the exclusive leadership of Jose Manuel De la Sota in Cordoban party politics.

He had already been up against De la Sota in his minority Political-Union Front, which worked for Menem without much luck during the internal party struggles against Antonio Cafiero in 1988.

His fidelity was rewarded. Menem appointed him secretary of energy in his future government, in spite of the man who was to be his immediate superior as minister of public works, the governor of Mendocino, Jose Octavio Bordon.

As a result, Bordon resigned even before starting to work.

In 1990, his trajectory was complete. The Menemist "bright-red" label no longer fit him; he even joined with former Cafiero supporter Jose Luis Manzano in preparing the new doctrinaire and organizational limits of Menemicized Justicialism inside the "Aspen group."

After his successful action in the Tucuman election—crowned by the victory of Ramon "Palito" Ortega over Domingo Bussi—he is returning to the cabinet with definite "blue" support.

Bolivia

Action on U.S. Extradition Requests Delayed

PY2712024491 La Paz PRESENCIA in Spanish 20 Dec 91 p 1

[Text] Foreign Minister Carlos Iturralde reported yesterday that his ministry is holding 14 extradition requests made by the U.S. Government before and during the term of the so-called "Repentance Decree," which established a 120-day break in international extradition agreements.

"The requests are still there, I still have them," the Minister responded when asked about what the government intends to do with the U.S. requests, presumably filed against 14 Bolivian drug traffickers.

The foreign minister reported that four of the extradition requests are for alleged drug trafficking chiefs who surrendered to Bolivian justice during the term of the decree.

"We will not include them (in the extradition process)," Iturralde said, adding that the rest of the extradition requests may be placed at the disposal of the Supreme Court of Justice once it decides whether or not to accept two other extradition requests it is currently studying.

"I am waiting to see what happens with the two extradition requests the Supreme Court is currently studying. Then we will see what happens with the other requests," Iturralde said, also denying any pressure from the U.S. Embassy to expedite this process.

"There is currently no pressure," he said. Nonetheless, he admitted that "freezing" the extradition requests contradicts the "Repentance Decree," the expiration of which meant immediate processing of pending extradition requests.

Diplomatic sources reported that Hugo Rivero, Erwin Guzman, Antonio Naciff, and Winston Rodriguez are the four "repented" drug trafficking chiefs who cannot be extradited.

"The rest were not even requested by the United States, the sources stated. [no closing quotation mark as published]

Escobari Reiterates Need for Sea Outlet

PY2712025491 La Paz La Red Panamericana in Spanish 0000 GMT 27 Dec 91

[Text] Jorge Escobari, former foreign minister and current chairman of the Senate International Affairs Committee, has said that the free trade zone in the Peruvian port of Ilo is a step in the right direction. Escobari added, however, that the Bolivian Government should not forget the need for a free and sovereign return to the Pacific Ocean, which cannot be postponed. Escobari was referring to the meeting scheduled between President Jaime Paz Zamora and Peruvian President Alberto Fujimori in that port on 13 January.

Escobari said that the Peruvian Government is trying to encourage what President General Morales Bermudez proposed in 1979. The senator said that the free trade zone will alleviate the landlocked status but emphasized that Bolivia should increase its diplomatic efforts to have its own ports again. Escobari said that Chile is always pushing Bolivian aspirations back, preferring commercial and economic relations with our country instead.

Escobari said that the goal is to completely eliminate the issue of the sea outlet from international forums. The senator added that the Bolivian Government wants to disguise the problem, saying that Bolivia can have a more significant presence in the Pacific Ocean by selling gas to Chile. But such an argument is far from obvious, Escobari said.

Defense Minister on Army in Antidrug Fight

PY1912210091 La Paz PRESENCIA in Spanish 15 Dec 91 p 12

[Text] (Fides News Agency)—Defense Minister Alberto Saenz Klinsky has not ruled out the possibility of "retraining a regiment of the nation's Armed Forces for the struggle against drug trafficking by a new group of U.S. advisers" next year.

The state dignitary made these remarks after announcing the completion of the training of two regiments in the antidrug struggle by U.S. military experts in compliance with Annex III, signed by the presidents of the two governments.

The training in tactics to locate and destroy cocaine-processing laboratories, airstrips, and drug-trafficking routes was carried out in 10 weeks by 509 U.S. military advisers.

The defense minister said the "Manchego" regiment from Santa Cruz Department and the "Jordan" regiment from Beni Department are prepared to act militarily whenever they are required to suppress drug-trafficking activities.

Saenz Klinsky reported that as soon as the training details are completed, the U.S. advisers will return to their bases in the United States.

The defense minister announced that a new "retraining" of "Manchego" regiment personnel by a new group of U.S. Armed Forces advisers has been scheduled for next year.

Nevertheless, this possibility has not been confirmed because it must be subjected to a series of military assessments and international agreements.

The "Manchego" regiment was the first one to act in the struggle against drug trafficking, and it hopes to repeat this experience when drug crimes spread throughout the national territory.

According to the assessments supplied by the Defense Ministry, the military's participation in interdiction tasks has shaken the drug economy because, at a given time, it forced a decline in cocaine production and coca prices.

According to the government's assessments, the decline in coca prices is a very important factor for the timely completion of the eradication of coca crops and the simultaneous beginning of alternative development programs.

* Paz Proposes Joint Antidrug Strategy in Rome

92SM0173A Cochabamba LOS TIEMPOS in Spanish 25 Nov 91 p A7

[Ten proposals presented to Rome Pontifical Conference by Bolivian President Jaime Paz Zamora]

[Text] Ladies and Gentlemen:

We have been summoned by His Holiness Pope John Paul II through the Pontifical Council for the Pastoral on Health Services.

Due to the very nature of my mandate, such a summons makes my presence here a veritable pilgrimage with its inherent aspects of renewal and of bearing witness for an entire people deeply rooted in Christianity.

This renewal and testimony grow in the seed of the rich teachings of Jesus of Galilee, who constantly repeated that "only the truth will set us free."

Drugs have become one of the great scourges of the contemporary world. Someone said at this conference that they were a terrible weapon. Perhaps for our time, they are one of the horses of the Apocolypse as prophesized in the Revelations by Apostle St. John.

But it is an evil we have brought upon ourselves! To view it directly is, in a way, to recognize one of the characteristics of modern society, as if its image were reflected in a mirror.

That is why my first proposal is to ask this conference for an act of sincere humility that is indispensable if we are to approach the topic. We must ask ourselves whether we truly want to complete the endeavor that we have undertaken and, if so, fully assume the responsibilities that we must all bear in the fight against drug production, trafficking, and consumption.

In this spirit of truth, allow me to begin by expressing my opinion about precisely what this meeting means.

I realize that these three days have been extremely rich in reflection and in conceptual and practical contributions.

However, to our way of thinking, they do have one limitation. They have referred almost exclusively to aspects relating to the use of drugs and their sequels. They have therefore been confined almost exclusively to problems confronting rich and industrialized countries stemming from drug use.

Consequently, matters relating to the production of raw materials and the ban on illegal trafficking have received less attention than they perhaps deserve.

Along this line of thought, we run the risk of formulating only a partial diagnosis and proposing incomplete recommendations for future action.

It is nothing new for me to say that facing up to the problem is a common responsibility, which is why we must welcome the move to call this conference and rejoice in the universality of its representation, universality which must not, however, ignore the highly individual nature of the problem in every country.

From Bolivia's perspective, we have described to the international community the need to distinguish three distinct dimensions of the problem: 1. the production of raw materials such as coca leaves, a productive farming activity that can only be eliminated through the application of a program of alternative development; 2. cocaine production and trafficking, which must be fought by a ban having the full force of law; and 3. drug use, in which case we believe that prevention in its most diverse and creative forms is indispensable.

In America, the dominant concern of certain consumer countries has been to suppress trafficking. At this conference and in Europe, the idea has now emerged of joining forces to reduce consumption.

Since both are basically correct visions, they are lacking what in our opinion is a prime element: the proposal of alternative development.

Allow me to clarify what we mean by alternative development.

We have defined it as a whole series of actions in the productive sector whose purpose is to replace the surplus coca economy with another modern, vigorous, competitive economy offering the farmer legitimate and worthy options having a minimum of continuity and security within a suitable time frame.

Madam Moderator:

For the purposes of this conference, it seems relevant to make a clear distinction between coca leaves and cocaine.

Growing coca for its leaves is an age-old tradition in the South American Andes, an integral part of our social life and providing a perfect balance between man and nature.

The magical and religious significance of this crop is closely linked to the cultural identity of our people. Coca has been the source of a link with the supernatural and destiny. It has been and is used for its dietetic value, providing the strength needed to live in an extremely difficult environment at an altitude of 4,000 meters above sea level, where our native Andean crops were developed.

Actually, the social, environmental, and criminal problems linked with drug trafficking emerged with the disproportionate growth of the demand for cocaine in industrialized countries.

Furthermore, cocaine production would be impossible without the chemical ingredients manufactured and exported by developed countries, elements whose trade is not controlled with the same strictness that is applied to trafficking in leaves, despite the fact that the value of such chemical products is marginal for the economy of industrialized nations compared with the damaging impact which the production of coca leaves has had on Peru, Bolivia, and Ecuador.

This line of reasoning leads to several important clarifications:

We produce the coca leaves; cocaine came from the outside. One must make a distinction between growing coca leaves for traditional consumption and surplus coca crops grown to supply leaves for the illegal demand connected with cocaine manufacturing.

Expansion of the narcotics markets in the late seventies and early eighties coincided in my country with the transition to democracy and the world economic crisis, which in turn produced a collapse in prices for raw materials.

It was during this period that thousands of unemployed workers from the mines, farms, and big cities moved to the places where coca is grown in search of work and an income. This was what caused the domestic and international crises to combine to pull these workers into the circuit of this great evil marking the end of our century.

Madam Moderator:

Bolivia's internal conditions have changed radically. We now have a fully-expanding established economy. My people live in an environment of social and working tranquillity that is the envy of the region, and the democratic system is making progress and growing stronger.

However, there has also been an enormous effort to fight drug trafficking, which I shall sum up briefly.

In the past two years, we have eradicated over 14,000 hectares of coca plants representing nearly a third of the estimated total of 50,000 hectares of surplus crops.

I wonder what the economic and social effect on a country such as Italy would be, for example, if one were to sanction the concept of the traditional consumption of wine for ritualistic and food purposes and resolve to ban so-called "surplus" production.

Keeping all things in their proper perspective and proportion, this could be a reference for judging the significance of Bolivia's contribution to the world fight against drugs, with its program to eradicate crops.

But we have done more. Virtually all the known heads of drug trafficking organizations in my country are now behind bars in Bolivian prisons or abroad and their networks have been broken up thanks to the so-called Amnesty Decree guaranteeing the application of sanctions established by law within the national territory to criminals who turn themselves in voluntarily.

In addition, the substantive growth in production and exports, a result of the structural adjustment we have implemented, has reduced the relative importance of the coca economy in the Bolivian economy as a whole.

We have done so without violence, respecting social peace and public tranquillity, guaranteeing human rights and ensuring the dignity of coca farmers.

However, this gigantic national effort at economic and political reorganization, brought about at the cost of enormous sacrifice, is not enough to cut the tentacles of drug trafficking in my country.

The international community is fortunately abandoning its traditional passive posture and making an ever more active commitment to reduce the possibility that drug traffickers will find protective "sanctuaries."

The Vienna Convention in December 1988 marked a pause in the coordination of strategies and measures aimed at fighting drug trafficking. The Cartagena Summit Conference which brought together the presidents of Colombia, Bolivia, Peru, and the United States also meant a great step forward in that same direction. The second summit conference, to be held in the United States next February and including Mexico at President

Bush's invitation, will undoubtedly provide better understanding and thus improve the results of our collective action.

At this second meeting, I personally intend to propose the holding of Cartagena III, this time with the additional participation of European heads of government.

Already at the meeting of the seven most developed nations in Houston in 1990, the strategy of alternative development was adopted as a common need. In addition, President George Bush's Initiative for the Americas has taken up this strategy as part of a continental effort to stimulate the continental economies.

Furthermore, we must admit that while harsh controls have been established for drug trafficking, the world market for alcohol has few regulations. Not only is the international trade in alcohol prospering, but expanding.

Naturally, this unequal treatment saps the strength of the fight against drugs. In general terms, we would not be wide of the mark in stating that residents of wealthy countries control world trade in alcoholic beverages consumed by poor countries, while at the same time consuming the production of drugs they induce in underdeveloped countries.

Madam Moderator, conference participants, I wish to sum up my reflections in 10 points:

1—Coca is part of the cultural heritage of the Andean countries. Cocaine comes from the outside.

2—Cocaine is equal to the sum of the coca leaf plus chemical ingredients. Coca leaves in themselves are harmless, as proved by the experience of milleniums.

3—Alternative development must be the very basis of the strategy of the fight against drug trafficking in countries such as Bolivia that produce the raw material.

4—Drug trafficking is a planetary evil that requires the systematic application of a world strategy of fighting drugs built on the basis of the principles of overall prevention and co-responsibility in which all countries would make a contribution in keeping with their own possibilities and act according to their own individual characteristics.

5—Controls must be placed on international trade in chemical formulas and ingredients known as "precursors" and must be equally rigorous as those regulating the market for surplus coca leaves.

6—The world strategy mentioned must have mechanisms capable, based on equal criteria and precision, of evaluating progress on and the results of common action aimed at reducing consumption, controlling drug trafficking, and alternative development so as to guarantee fair and coordinated application of the program.

7—The international plan for fighting drugs must manifest similar sensitivity to the problems of the poverty and marginalization of farmers and the human and moral drama affecting persons who use drugs.

8—The world strategy to fight narcotics must devote its greatest efforts to reducing the supply of raw materials and reducing consumption, the former through alternative development and the latter through education and prevention.

9—Prohibition, within the strict framework of the law, continues to be an important element of the international strategy and must be systematically applied against cocaine producers and traffickers.

10—More active formulas must be found to regulate production, marketing, and consumption, without affecting the operating logic of the free market system.

Madam Moderator, in the necessarily brief time allotted me, I have presented for your consideration the main elements of a strategy that takes an unflinching look at the options of education, development, and work.

However, I have one additional comment. This program of fighting drug trafficking would be worth little if our societies did not once again consider, from the depths of their collective consciousness, the moral and ethical sense brought by religious faith.

Only a return to these values as guidelines for social life, the economy, and culture will provide the necessary clarity and meaning for our plans.

Only in this way shall we have understood the message of profound humanistic meaning that the Holy Father placed in our hands by calling this extraordinary, beautiful conference and by asking us to bear witness to our commitment to life and against alcoholism and drugs.

Thank you.

Report on Reduction in Ministries Denied

PY1612200691 La Paz Television Boliviana Network in Spanish 1700 GMT 16 Dec 91

[Text] The government said today that it is making efforts to reduce bureaucracy to improve efficiency but that it has not considered the reduction of the number of ministries. According to an article published in PRESENCIA today, the government reportedly is planning to abolish six ministries. Planning and Coordination Minister Samuel Doria Medina denied that report. He said:

[Begin Doria Medina recording] This is the most absurd story I heard in the last few days because the number of ministries cannot be reduced by the will of an official. There is a law that created and organized the executive branch. This law established the number of ministries, therefore it is clear that the government can only create or abolish two ministries without portfolio. Therefore, even if the government wanted to reduce the number of ministries it could not do it because the law prevents it. There is no such plan. [end recording]

IDB Affiliate Announces $6 Million Loan

PY1312131491 La Paz Radio Fides Network in Spanish 1100 GMT 13 Dec 91

[Text] The Inter-American Investment Corporation, an Inter-American Development Bank, IDB, affiliate, yesterday announced a $6 million loan to the Bolivian-American Bank of La Paz, which will re-lend these funds to small- and medium-size companies in the industrial and agro-industrial sectors.

Agreement Reached To Reduce Foreign Debt

PY2412182691 La Paz Television Boliviana Network in Spanish 1700 GMT 24 Dec 91

[Text] Planning Minister Samuel Doria Medina has announced that the remainder of Bolivia's debt to private U.S. banks will be reduced.

[Begin Doria recording] I briefed the president on our negotiations with private banks in Washington last week. During these negotiations we reached an agreement to reduce the remainder of the country's debt to private foreign banks. This debt, which amounts to $185 million, will be reduced in the coming months at no expense to Bolivia, because we are getting donations with which to pay off this debt. [end recording]

Commanders Pleased With Presidential Support

PY1912192491 La Paz PRESENCIA in Spanish 14 Dec 91 p 1

[Text] President Jaime Paz Zamora yesterday told military commanders that he will watch over the integrity and survival of the Armed Forces regardless of the country's economic limitations.

"To question the existence of the Armed Forces means to question the very existence of the Republic," the president said.

This categorical presidential statement was made during the commencement ceremony of 104 new second lieutenants who graduated from the Army Military College. Paz Zamora stressed the role played by the military and said this role "is not often understood."

"I want to tell you as president and as your captain general, that as I believe in Bolivia and in its survival, I also believe in and work for the unity and survival of the Armed Forces (...). I want this to be clearly understood throughout the nation. We can discuss as many times as desired the steps we must take for the modernization and adjustment of the Armed Forces to the Bolivia of today; but we have no right whatsoever to discuss the very essence of their existence, because it would imply discussion on the very existence of the Republic," the president said emphatically.

Members of the top command expressed their satisfaction with the presidential speech and reaffirmed their commitment to preserve the democratic system.

Defense Minister Alberto Saenz expressed his satisfaction with President Paz Zamora's remarks, and said that his support "is the most important the Armed Forces of the nation have received."

Moreover, General Alejandro Camponovo, Armed Forces commander in chief, said President Paz Zamora's speech definitely ends the rumors that have tried to cast doubt on the Armed Forces' role. Army Commander General Oscar Escobar said the presidential speech "has greatly increased the morale of the personnel; we did not expect anything less from our captain general."

Similar remarks were made by the commanders of the Navy, Admiral Rolando Herrera, and the Air Force, General Dardo Gomez.

Strategy To Solve Miners Strike Analyzed

PY2712021691 La Paz La Red Panamericana in Spanish 0000 GMT 27 Dec 91

[Text] Government officials are analyzing a strategy to negotiate with the miners' federation. The interior and mine ministers met at Government House to analyze the situation.

The ministers holding the talks are currently in a recess. Meanwhile, more than 100 miners continue their hunger strike and mine operations have dropped to a standstill.

Although it was impossible to learn the government's strategy, it is known that it will include definitive proposals to solve the conflict. Before retiring to Tarija to rest, President Paz Zamora asked his advisers to do everything possible to iron out existing difficulties with the mine workers.

Brazil

Relations With Former USSR Republics Noted

Ties With Individual Republics

NC2512203691 Yerevan ARMENPRES International Service in Armenian 1215 GMT 25 Dec 91

[Text] Yerevan, 25 Dec (ARMENPRES)—Armenian Foreign Minister Raffi Hovhannesyan, who was on a two-day official visit to Brazil, held talks with Brazilian Foreign Minister Francisco Rezek, General Secretary of the Foreign Ministry Marcus Azambuja, head of the Special Secretariat for Strategic Affairs Paulo Leone Ramos, and other government officials.

Hovhannesyan said that the aim of his visit to Brazil "was to lay a serious foundation for political, economic, trade and cultural relations between Brazil and Armenia." He added: "We also would like to examine the restoration of diplomatic ties, which Armenia had with Brazil from 1920 until the sovietization of Armenia. Brazil was the first Latin American country to recognize the independent Republic of Armenia which existed between 1918-1920. I think that, considering the latest

developments in the former Soviet Union, the time has come to restore that recognition."

Replying to questions on the outcome of talks at the Brazilian Foreign Ministry, Hovhannesyan said: "The meetings were hope-inspiring and held in a spirit of mutual understanding. We discussed the situation in the former USSR, Armenia's peaceful and constitutional road to attain independence, as well as the possibilities of joint efforts to restore official relations and the advancement of these relations in practice in the economic, trade and cultural fields. Armenia's policies were assessed highly by all those with whom we talked. After these meetings, I now am sure that the issue of recognizing Armenia and restoring diplomatic relations soon will be solved in a positive manner."

The spokesman of the press secretariat of the Brazilian Foreign Ministry reported that following these meetings, Foreign Minister Rezek announced that the Brazilian Government has decided to establish diplomatic ties with each republic of the former Soviet Union on an individual basis, and not with the Commonwealth of Independent States as a single body. The foreign minister said Brazil is ready to recognize "at any moment" the independence of Armenia as well as of other republics of the former USSR.

On 24 December the Armenian foreign minister visited Sao Paulo, where there is a large Armenian community.

Relations With CIS

PY2612014091 Madrid EFE in Spanish 0044 GMT 26 Dec 91

[Text] Brasilia, 25 Dec (EFE)—Brazilian Foreign Minister Francisco Rezek said today that the Brazilian Government recognizes and wants to maintain diplomatic relations with the Commonwealth of Independent States (CIS, former USSR).

In an interview with JORNAL DO BRASIL Rezek pointed out that Brazil wants to maintain relations with all members of the CIS, but that it is currently materially impossible to create and maintain embassies in all of them.

The Brazilian Government today instructed the Brazilian Embassy in Moscow to take charge of relations with the Russian Federation or Russia. In the near future ambassadors may be exchanged with the Ukraine, Armenia, and Kazakhstan.

Rezek stated that the final decision will depend on the evolution of bilateral relations with each member of the CIS. He added that the embassy in Moscow has the capacity to centralize all of the work.

On 26 December the Brazilian Foreign Ministry will release a communique in which the government will convey to former USSR President Mikhail Gorbachev its praise for his important participation in the evolution of world politics in the last few years.

Eleven of the 15 republics of the former USSR are members of the CIS, which was created on 8 December. Georgia, which is going through a conflict, did not sign the treaty and the three Baltic republics became independent states after the 19 August coup in the USSR.

CIS, Georgia Recognized

PY2612231291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 26 Dec 91

[Report by Antonia Marcia Vale]

[Excerpts] The Brazilian Government recognizes the 11 states of the Commonwealth of Independent States [CIS] that replaces the former USSR. In an official note released by the Foreign Ministry, the Brazilian Government also recognizes the Republic of Georgia, which has not yet joined the CIS.

According to Foreign Minister Francisco Rezek, from now on the Brazilian Embassy in Moscow will represent Brazil before Russia and temporarily, before other CIS members.

[Begin Rezek recording] Brazil wants to maintain relations with all CIS states. The material aspect of establishing the embassies cannot be decided right now, however, because it involves expenses and we may have to establish them gradually. It also involves an analysis of some factors regarding the importance of bilateral relations with each country. To make this decision, we will consider territorial, demographic, and economic factors. [end recording]

According to Rezek, the first Brazilian embassy will probably be established in the Ukraine in view of the cultural ties resulting from the Ukrainian colony in Brazil and the trade ties linking the two countries. [passage omitted]

Regarding agreements between the USSR and Brazil, Ambassador Leonid Kuzmin, former USSR ambassador and current Russian ambassador to Brazil, said that Russia will honor all agreements signed between the USSR and Brazil and that his embassy is temporarily representing the other CIS members. On 30 December, the CIS countries will meet in Minsk, Belarus, to define the problems of diplomatic representation.

Collor Praises Gorbachev

PY2712005091 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 26 Dec 91

[Report by Luiz Augusto Mendonca at Planalto Palace]

[Text] President Fernando Collor has sent a letter to Mikhail Gorbachev. In a 24-line letter, President Collor expressed—in the name of the Brazilian people and government—his appreciation for the figure of statesman represented by Gorbachev in the closing of this century's history.

In the letter, President Collor also said that, thanks to Gorbachev's courage and firmness, we could witness progress in international relations in a way that his, President Collor's, generation never expected.

Collor added that Gorbachev's example will inspire chiefs of state throughout the world.

U.S. Invites Rezek To Discuss Soviet Crisis

PY2612123891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Dec 91

[Text] The U.S. Government has formalized an invitation for Brazil to participate in an interministerial meeting to discuss the Soviet crisis on the 22d [not further specified] in Washington.

The invitation was formally made by U.S. Secretary of State James Baker in a letter addressed to Foreign Minister Francisco Rezek.

Commenting on the invitation, the foreign minister drew the following conclusion: Apparently, we have not been so neglected in the international arena because we did not sent soldiers to the Persian Gulf.

Very few countries, other than the allies in the war against Iraq, will participate in this meeting in Washington.

Stricter Controls of War Materiel Prepared

PY1812140091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Dec 91 Section 1 p 5

[By Sonia Mossri from the Brasilia bureau]

[Text] Following a year of negotiations with the U.S. State Department, the Brazilian Government is preparing a bill that will institute stricter controls over imports and exports of rocket propulsion systems, computer chips for missiles, products linked to the nuclear sector, and war equipment in general.

The bill will establish a list of "dual purpose equipment (dual purpose—civilian or military) in the nuclear sector," the import of which will need the prior authorization of the federal government. This list will be drafted by a special commission headed by Strategic Affairs Secretary Pedro Paulo Leoni Ramos.

The commission will also include representatives from the Navy, Army, Aeronautics, Economy, and Foreign Affairs Ministries, from the office of the chief of staff of the Armed Forces, and from the Science and Technology Secretariat.

The bill will establish control over imports and exports of any product that could be used for war. The government hopes that this will reduce the restrictions that the U.S. Departments of State and Defense are applying to exports for Brazil.

The National Association of Brazilian Defense Materiel Industries fears that a stricter control will increase the level of bureaucracy and that it will further reduce competition in the international market.

Increased Bilateral Trade With Uruguay Agreed

PY1912142091 Madrid EFE in Spanish 1605 GMT 18 Dec 91

[Text] Brasilia, 18 Dec (EFE)—Brazilian President Fernando Collor de Mello and his Uruguayan counterpart Luis A. Lacalle today, 18 December, agreed to expand bilateral commercial trade.

The two presidents were accompanied by their economy and foreign ministers when they discussed for one hour economic matters and the undertakings in border zones that were set up a long time ago.

The meeting was held at Alvorada Palace, the official residence of the Brazilian president, at the request of Lacalle when Collor was forced to cancel, because of domestic problems, the official visit he was to have made to Uruguay on 15 December.

Uruguayan Foreign Minister Hector Gros Espiell said that Collor accepted a Uruguayan proposal to expand the 1975 Protocol Office for Trade Expansion (PEC) through which almost two thirds of the overall exports between the two countries are channeled.

"We want to increase Uruguayan exports by at least 20 or 30 percent within the PEC," Gros Espiell said.

Of the $400 million that Uruguay exported to Brazil in 1990, $380 million were achieved under the rules of this agreement that was signed in 1975.

Brazil, main trade partner of Uruguay, has sold goods worth $480 million, the foreign minister said.

Gros Espiell said that the proposal to "strengthen" the PEC was fully accepted by Brazil.

"Brazil has fully agreed with what was proposed by Uruguay at the meeting," he said.

The PEC will be in effect until 1995 when Argentina, Brazil, Paraguay, and Uruguay will eliminate all commercial barriers and establish the Common Market of the South (Mercosur).

Gros said that both Lacalle and Collor also agreed to implement the projected construction of irrigation dams on the Yaguaron River and the Merim Lake which divide the two countries.

Moreover, they also agreed to stop and punish pollution in border zones, and decided to study the issuance of agreements that will be submitted to the UN Conference on Environment and Development (Rio 92) that will be held in June 1992.

Gros said that Uruguay and Brazil do not want that conference "to be a mere expression of words and good intentions," and that for this reason they will defend the idea of establishing and punishing ecological crimes.

Mercosur Customhouses To Begin Operating in Jan

PY2612135691 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Dec 91

[Text] The permanent Mercosur [Common Market of the South] customhouses will begin operating in January. This information was supplied by Integration Minister Carlos Chiarelli.

The customhouse posts will be in Uruguaiana on the Argentine border, in Foz do Iguacu on the Paraguayan border, and in Jaguarao on the Uruguayan border. The three customhouses will monitor migratory tourism and passenger and cargo transportation between Brazil and these countries.

Cuban Sports Institute Plans To Aid Athletes

PY1812011491 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 17 Dec 91

[Text] The Cuban Sports Institute directors may help Collor's administration to implement a project encouraging sports in Brazil.

According to Sports Institute Chairman Conrado Martinez Corona, it will be necessary to analyze Brazilian laws and sports facilities to diagnose the sports situation in the country. Based on the diagnosis, there will be an exchange of coaches and teachers. According to the Cuban officials, the most important matter is to create a sports mentality that considers medals and achievements a natural consequence of efforts.

The Cuban delegation met with National Sports Secretary Bernard Rajzman yesterday.

* SAE Bill Regulates Intelligence Activities

92SM0167C Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 1 Dec 91 p 8

[Article by Guilherme Evelin]

[Text] Brasilia—The Strategic Affairs Secretariat (SAE) wants to prove through the law that it is not merely a reincarnation of the old National Service for Intelligence (SNI). A bill sponsored by Secretary of Strategic Affairs Pedro Paulo Leoni Ramos, now working its way through the Chamber of Deputies' Committee on National Defense, has proposed for the first time that the government's intelligence activities be regulated. The bill excludes from the list of SAE powers domestic eavesdropping, a typical practice of the SNI. It also restricts SAE activities aimed at gathering information on external threats to the country, and gives Congress the job of monitoring and controlling the agency.

The bill was not sent to Congress until two months ago—a year-and-a-half after the secretariat was created under the administrative reform decreed by President Fernando Collor to replace the SNI. In the meantime, there have been growing indications that the SAE has not given up domestic spying. Among other telling circumstances, it has been discovered that wiretappers have infiltrated the landless workers' movement in southern Para State, and that the secretariat's budget contains secret appropriations over which Congress has no control at all. Recently, there were charges that a wire tap had been put on a Telesp [Sao Paulo Telephone Company] trunk line and used for listening by five reserve colonels who used to work for the old SNI.

Better Supervision

The government alleges, however, that the directives set out in the bill are the same as have been guiding the SAE actions. In a formal statement accompanying the bill, the strategic affairs secretary refers to "multiple manifestations, including official ones, from the SAE that clearly and definitively reveal the philosophy behind its role in the intelligence field." According to the secretary, the bill is intended to fill a gap in Brazilian legislation. "It is felt that existing legal provisions do not permit a proper monitoring of the exercise of the intelligence function," Leoni said.

In order for that monitoring to actually take place, the SAE suggests formation of a joint committee in Congress and promises to send the legislators reports on its activities every six months. "What we want to guarantee—and this has been thoroughly examined—is protection of the fundamental institutions of the State, its essential interests, and its vital secrets—but also the protection of the public freedoms and rights of its citizens," Leoni adds.

Although it looks like a statement of good intentions, the bill raises suspicions among some deputies. "Creating a joint committee in the Congress to watch over the SAE is a way of taking authority from the committees that already exist in the Chamber and the Senate and could exercise that authority," says Sao Paulo Deputy Jose Dirceu (PT) [Workers' Party]. "What this proposal does is simply to postpone the implantation of an effective monitoring scheme by the Congress." Author of another bill that would also regulate intelligence and counterintelligence activities, Dirceu criticizes the severe penalties, ranging from three to 10 years, that the SAE would assess against legislators who violate the requirement to keep silent on secret matters.

Unrestricted Access

"They are unconstitutional and a way of trying to intimidate Congress," the PT deputy said. In his bill, he proposes that legislators have unrestricted access to classified SAE information, i.e., that they be given national security credentials at the top secret level, which would guarantee access to all confidential documents.

"The Congress needs to set up strict controls over the SAE, which has become a super-ministry that takes care of everything from nuclear energy to environmental zoning," Dirceu argues. The expansion of the SAE's radius of influence into sectors that, theoretically, are unrelated to strategic affairs is the result of discreet behind-the-scenes efforts by Leoni, a close friend of President Fernando Collor. The most recent incursion by the SAE into other areas was the drafting of a plan of goals and strategies to guide the 1992 Multi-Year Plan—a task that traditionally would have been assigned to the Ministry of the Economy's National Planning Secretariat.

Controversy

Another controversial aspect of the bill is that it exempts from Congressional supervision those intelligence activities that are carried out by information units of the Federal Police and the armed forces—The Army Intelligence Center (CIE), the Navy Intelligence Center (CIM), and the Air Force Intelligence Secretariat (Secint).

The man responsible for finding a compromise solution on these points, Sao Paulo Deputy Marcelo Barbieri (PSDB) [Brazilian Social Democracy Party], appointed to report on the bill in the Committee on National Defense, has made only general observations on the bill so far. "All democratic countries have intelligence and counterintelligence services that are monitored by the Congress," is all the PMDB deputy would say. He indicated that he plans to contact Secretary Leoni to discuss the matter before drafting alternative provisions. However, Barbieri does not believe the issue will be put to a vote in the Chamber this year.

* Poll Shows Strong Public Rejection of Collor

92SM0167A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Dec 91 p 4

[Report by Ricardo Balthazar]

[Text] There is a new and paradoxical component in the crisis that this country is experiencing. This was discovered by the Sao Paulo-based firm of Toledo and Associates during a public opinion poll of 2,771 individuals in 10 Brazilian state capitals, taken to find out what they are thinking today. No fewer than 75.8 percent of the people said the situation in Brazil is poor or terrible, but only 31.3 percent would characterize their personal situations that way. We find the same contradiction in the answers to another question: only 28.2 percent think Brazil can recover during the next two years, but 49.1 percent feel they themselves will be better off.

Widespread Dissatisfaction

In Your Opinion, How Would You Describe the Situation in Brazil?

	Percent
Great	0.3
Very Good	0.1

Widespread Dissatisfaction (Continued)

In Your Opinion, How Would You Describe the Situation in Brazil?

	Percent
Good	1.5
Fair to Good	7.8
Fair to Poor	14.1
Poor	20.7
Terrible	55.1
No response	0.4

Source: Toledo and Associates

"The public is moving away from the concept of nation, which they confuse with the concept of state, and people are looking for individual solutions," says sociologist Francisco Jose de Toledo, a partner in the research institution. "It's as if the country's problems have nothing to do with them—they only worry about their own troubles." In this "save-yourself-if-you-can" mode in which this society seems to have plunged, institutions are losing credibility. According to the survey, people still widely believe in churches (which 37.7 percent of the respondents support), but they have very little confidence in some of the other institutions—the Army (17.4 percent), the press (17.2 percent), the courts (12.1 percent) and the unions (11.9 percent). They have more faith in the numbers game (9 percent) than in the political parties or the Congress (each group receiving only a 2.3 percent vote of confidence).

That lack of credibility strikes squarely at the administration and personifies the crisis in the figure of President Fernando Collor. During the interviews, the researchers at Toledo and Associates asked people what they would do about the government if the decision rested solely with them. The answers were spontaneous, and nearly 10 percent suggested drastic solutions such as exile or even assassination, but what is significant is the degree to which they reject Collor: 64.5 percent oppose his remaining in power. Only 20.1 percent of respondents expressed any kind of support for Collor. This rejection of the president is so great that some respondents refused to admit they voted for him in 1989. If the election were held today, Collor would get only 13.3 percent of the votes in the state capitals, cities in which his performance in the last presidential elections was already weak. There would also be a hefty contingent of undecided voters.

Administration Rejected

If It Were Up To You Alone, What Would You Do About the Collor Administration?

	Percent
Cancel his mandate/take him out of the government/ask for his resignation	46.5
Leave things as they are/would not change anything	16.1
Put someone else in the job	8.2

Administration Rejected (Continued)

If It Were Up To You Alone, What Would You Do About the Collor Administration?

	Percent
Get rid of the president	7.9
Arrange a cabinet shakeup	6.3
Don't know	4.3
Give him more support, another chance	3.6
Send him into exile/deport him	1.9
Other	5.2

Source: Toledo and Associates

That politicians are in disrepute became evident at several other points in the survey. For example, the majority of the individuals (76.1 percent) think that city councilmen, deputies, and senators should not be allowed to run for reelection. There is also a large portion of the electorate that is undecided as to whom to vote for in the 1992 municipal elections. This proportion ranges from 12.1 percent in Sao Paulo to 46 percent in Salvador. If the election were held today, Paulo Maluf (PDS) [Social Democratic Party] would be the favorite in Sao Paulo with 34.1 percent of the votes, followed by Mario Covas (PSDB) [Brazilian Social Democracy Party] with 19.2 percent, and Eduardo Suplicy (PT) [Workers' Party] at 13.8 percent.

People see the country's main problem as being education (47.8 percent), followed by health (39.2 percent), inflation (37.4 percent), unemployment (34.3 percent), corruption (33.5 percent), shortage of food (27 percent) and bad public administration (23.1 percent). They were not invited to offer solutions, but the interviewers did ask people's opinions on the idea of splitting Brazil into two or more separate nations. Result: 21 percent of the respondents concurred, a trend that is stronger in Porto Alegre (34 percent), Sao Paulo (26.7 percent) and Curitiba (22.9 percent).

Random Sample

The poll taken by Toledo and associates is the first in the Omnibus Brasil project, under which the institution intends to keep taking the pulse of Brazilians on a bimonthly or even monthly basis, to see what they think about the situation in the country. The sample of 2,771 respondents was determined by successive lotteries. After the 10 state capitals had been selected (Sao Paulo, Rio, Porto Alegre, Curitiba, Belo Horizonte, Salvador, Recife, Fortaleza, Belem, and Goiania), random sampling was done to determine the region, the city block, the house, and the individual resident to be interviewed. There are more women (51.7 percent) in the sample, 56.3 percent of the respondents are under the age of 40, and more than half failed to finish high school. Toledo and Associates has been in business for 12 years, but until 1986 it concentrated almost exclusively on market research surveys commissioned by individual companies. Public opinion polls represent only 5 percent of its business. The institute made its political debut during the 1985 election campaign for mayor of Sao Paulo. The firm worked for the PFL [Liberal Front Party], which was supporting Janio Quadros, the victorious candidate. Toledo and Associates also worked for the PFL in 1986, when that party backed Paulo Maluf for governor and lost. It provided service to 31 mayoral candidates in the interior of Sao Paulo during the 1988 campaign.

* Proposed Economic Reforms of New Plan Defined

92SM0167B Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 2 Dec 91 p 1

[Article by Rolf Kuntz]

[Text] Mass consumption is the central focus of the new plan now being put together at Planalto Palace. The idea is to make wages, with reinforced purchasing power, the cornerstone of the economy.

The plan goes back to and expands the goals of economic openness, production modernization, government reform, and public policy revisions. It also adds a new item in Brazilian planning: a concern for the citizenry, whom it says are "jeopardized" by the difficulties the poor find in gaining access to safety, justice, and basic services.

The document outlining objectives and strategies was delivered last week to President Collor by Strategic Affairs Secretary Paulo Leoni Ramos. The new multiyear plan will probably be sent to Congress by 15 February.

Besides Secretary Ramos, other officials conducting the studies are Regional Development Secretary Egberto Baptista and National Planning Secretary Pedro Parente from the Ministry of the Economy.

Education and Technology

Education, science, and technology comprise the first of six major areas slated for action. One of the main goals is to have all children enrolled in the regular educational system by the year 2000. By then, at least 80 percent are supposed to have the chance to finish eighth grade. At present, less than 30 percent of children who enter first grade finish the eighth grade.

The document suggests "clear definition of the responsibilities of the federal government, the states, and the municipalities" in terms of spheres of authority and allocation of funds. Greater respect and appreciation for educators and researchers, curriculum reform, and cooperation between research institutes and the private sector are mentioned as necessary steps but the text, entitled "Macro-strategies," does not go into details.

Making the economy more competitive and, at the same time, increasing the role that wages play in national income are basic objectives of the plan.

In order to ensure that wages rise in terms of real purchasing power, it is necessary to see that gains in

productivity are reflected in the prices of consumer goods and services. Agricultural policy should play a special role in this.

Accessible Food

The idea is to reduce the proportion of the family budget that is spent on food, so that families can spend more on consumer durables such as home appliances. Hence the importance of supporting the establishment of modern agroindustrial complexes and of reducing taxes, which account for one third of the cost of the basic market basket.

Policies for redistributing income and combatting poverty—conditions cited as essential to "consolidation of the citizenry"—involve three lines of government action: systematic increases in the minimum wage, lower prices for food and mass consumption goods, and job creation.

Comprehensive Financial Cleanup Proposed

The economic reforms being proposed to President Collor in the draft plan presented last week include changes in the FGTS [Length of Service Surety Fund], the Housing Finance System, Social Security, and in Treasury responsibilities. The financial cleanup in the federal government, cited as essential to a new development policy includes the following measures:

- Renegotiate the terms under which the principal and the charges on the internal and external debts are to be paid off, involving a change in the debt profile.

Abolish the National Treasury's responsibility for the liabilities of the social security system.

Restructure the Housing Finance System and renegotiate the liabilities of the FCVS [Wage Variation Compensation Fund], which covers the balances left by borrowers after they have paid their final installments.

Reorganize and renegotiate the debts of the Length of Service Surety Fund.

Free the Treasury from responsibility for the debts of the state corporations by changing the rules governing its participation in their capital, their financing, and in guaranteeing obligations incurred by the state enterprises.

Put an end to the gubernatorial practice of running up debts with the state-owned banks and then appealing to the Central Bank for help.

Redefine the responsibilities of the states and cities. This has been advocated by ministers in the economic field ever since the constitutional reform of 1988. The new Constitution transferred financial resources from the Union to the states and cities, but did not transfer responsibilities.

Zoning

The document also includes a proposal for revision of the system of fiscal and financial incentives and subsidies, especially those associated with prices and rates charged by the state enterprises.

Spelling it out: goods and services produced by government companies should be priced on the basis of their cost, with no subsidies to the purchaser. This problem, obviously, should become less serious as privatization proceeds.

The policies behind the incentives, subsidies, and credits administered by the public sector should be made subordinate to a territorial zoning plan. That plan should include economic and ecological zoning. The document recommends "special attention" to integration of the Amazon region, a topic especially dear to the heart of one of the coordinators of the planning effort, Secretary of Regional Development Egberto Baptista, an advocate of benefits for the businessmen of the Manaus Free Zone.

National Oil, Natural Gas Production Increase

PY2712023291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 26 Dec 91

[Report by Niomar de Oliveira from Rio de Janeiro]

[Text] The national production of oil and natural gas has increased. The national production of oil and liquid natural gas, LNG [liquified natural gas], totalled 660,516 barrels in November, 2.64 percent over production in November 1990. It also surpassed the October 1991 daily average, which totalled 656,750 barrels, by 3,766 barrels.

These figures were released by Petrobras [Brazilian Petroleum Corporation] in Rio de Janeiro. Petrobras also reported that the production of natural gas, LPG [liquified petroleum gas], totalled 18.4 million cubic meters per day. Of this, 14.9 million were consumed everyday.

The southeastern producing region—the Campos Basin, which is in the northern part of Rio de Janeiro State—continues to lead national production, producing 60 percent of all oil produced in the country. In November, the region produced an average of 416,194 barrels of oil and an average of 725,009 cubic meters of gas per day.

Colombia

Government Announces New Rebel Reentry Program

PA2612160791 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Dec 91

[Text] Santa Fe de Bogota—Given the difficulties encountered in implementing plans to reincorporate more than 3,000 demobilized guerrillas into civilian life, the government is preparing to create the Special Reincorporation Program [PER, Programa Especial de Reinsercion]. The program will start out with a budget of 2 billion pesos.

As a consequence, all reentry plans now being implemented, and those the government may sign with the

Simon Bolivar National Guerrilla Coordinating Board will have one administrative and executive entity in 1992.

On the weekend of 28 to 29 December, the government will issue the decree creating the PER, which will begin by organizing the reentry plans now in effect with the 19 April Movement, the Popular Liberation Army, the Workers Revolutionary Party, and the pro-Indian Quintin Lame Movement.

Progress of Dialogue With CNGSB Assessed

PA2512180391 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 Dec 91

[Report by Fabio Callejas]

[Text] Santa Fe de Bogota—The Public Order Advisory Commission and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] will reportedly make new contacts by midweek. Caracol has learned that the Public Order Advisory Commission, which is composed of representatives from all political parties, will try to talk to the rebel spokesmen in order to resume the Caracas talks.

According to a document signed in Caracas, the resumption of the talks between the government and the CNGSB is scheduled to begin on 1 February, at the latest.

Meanwhile, before traveling to Cartagena, President Cesar Gaviria Trujillo said he is pleased with the work done this year but the only blemish remaining is the guerrilla activity.

Referring to the dialogue situation, Jesus Antonio Bejarano, presidential adviser for peace, admitted that the process is going through difficult times, but the Executive Branch maintains its willingness to continue the talks.

Emergency Measures To Stop Defense Groups' War

PA2312022491 Santa Fe de Bogota EL TIEMPO in Spanish 18 Dec 91 pp 1, 8b

[Text] The government and the Armed Forces have decided to impose emergency measures in the Magdelena Medio region in an attempt to stop the internal war between the self-defense groups.

National and regional authorities from Boyaca, Cundinamarca, and Antioquia assembled together at a special meeting called by Defense Minister Rafael Pardo Rueda. The participants concluded that the war among the self-defense groups started in retaliation for the surrender of Ariel Otero—a movement leader—and 230 of his men.

Meanwhile, the government has announced that through the National Rehabilitation Plan (PNR), it will allocate funds for the demobilized self-defense members' adequate insertion into civilian life.

On 17 December another chapter opened in the new conflict in Puerto Berrio, Magdalena Medio, Antioquia, when hired killers attacked Puerto Boyaca Councilman Raul Quiceno and left him seriously wounded.

The following attended the meeting at the Defense Ministry's headquarters in Bogota: National Security Adviser Ricardo Santamaria; Director of Criminal Instruction Carlos Eduardo Mejia; elected Governors of Antioquia and Boyaca, Juan Gomez Martinez and Jose Salamanca; and PNR director Cesar Manuel Nino. The Armed Forces were represented by Generals Gustavo Pardo and Marino Guitierrez, commanders of the IV and XIV Brigades; General Miguel Antonio Gomez, police director; Colonel Luis Montenegro, director of the Directorate of Judicial Police and Investigations (DIJIN); and the police commanders of Cundinamarca, Antioquia, and Boyaca.

At the end of the meeting, Santamaria told EL TIEMPO that a strict security plan would be implemented by the Armed Forces, the police, the Administrative Department of Security, and the DIJIN.

The national security adviser—who has handled the entire process—reported that as of today checkpoints will be set up on all the access roads leading to Magdalena Medio. In addition, the governors were instructed to install, as of today, regional security councils. "By installing these councils we are trying to regionalize the problem and create an awareness that the confrontation between the self-defense groups could escalate," Santamaria said.

At the meeting, the military and police authorities presented separate reports indicating that in the wake of Henry Perez' murder in July and Otero's flight to Cali, rivalry to control the area and the self-defense groups has been unleashed.

Otero has been accused of being "a traitor and a sell-out" by a large sector of the self-defense groups who warned that, while the guerrilla groups remain active, this movement will remain armed. They claim that those who had surrendered were a small group of hired killers in charge of Otero's personal protection who were totally removed from the defense of the peasants' interests.

The Defense Minister disclosed that in Puerto Boyaca, unidentified persons raided a parking lot belonging to Perez' widow and then set fire to a truck. It was also learned that the attack against the Puerto Boyaca councilman had taken place on a busy Puerto Berrio street.

Defense Minister at Southern Military Garrisons

PA2412191591 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0100 GMT 22 Dec 91

[Text] In an unprecedented act in the recent history of the Armed Forces, National Defense Minister Rafael

Pardo Rueda visited several garrisons in southern Colombia. He was accompanied by the four military commanders.

Minister Pardo Rueda visited five strategic points in the struggle against guerrillas and drug traffickers in the southern region.

[Begin Pardo Rueda recording] We chose this area on the southern border because it is very representative of all the forces. We are very impressed with the high morale of the Armed Forces personnel. [end recording]

Accompanied by the army, air force, and navy commanders and the police director, Pardo Rueda had informal chats with the soldiers, distributed presents, congratulated the most outstanding, delivered Christmas greetings, and gave them good news that improved their morale: there are efforts to improve living conditions, complete military equipment, and increase wages next year.

Aware that these visits give the minister an opportunity to experience and learn directly of the difficulties the troops are facing, the commanders of the various military bases did not hesitate to request more funds to fulfill their missions.

[Begin unidentified commander recording] We have many needs. We hope some of them will receive attention. Obviously, we know there are not enough funds to cover all our needs, but there are priorities such as defending our sovereignty, protecting our facilities, and guaranteeing the well-being of our troops. [end recording]

The installation of a radar unit at the Tres Esquinas Base next year will be the most important technological advancement for the 3d and 4th Army Division, as well as for the Southern Naval Force and Air Command, which protects half of Colombia and exercises sovereignty in the southern region.

One of the key factors contributing to the success of the struggle against guerrillas and drug traffickers has been the coordination among the various forces in this part of the country.

Labor Minister Defends Minimum Wage Increase

PA2412195491 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 22 Dec 91

[Text] Labor Minister Francisco Posada de la Pena has told this network that a 26-percent increase in Colombia's minimum wage is just the right amount to fight inflation in 1992. He made this statement when he made the official announcement about salary increases in Colombia.

Posada said that when the National Labor Council cannot agree on a minimum wage, the government has the power to issue a decree in order to set the minimum wage. This has been the case for the last five years.

Posada also criticized Colombian union leaders. He said that they only worry about the welfare of the most privileged workers. Posado said that union leaders only worry about the welfare of a small number of Colombian workers who already have work and who earn three times the minimum wage, having obtained salary increases of over 30 percent. Meanwhile, they care very little about the welfare of the majority of workers who would be affected by a salary increase of over 26 percent, an increase that would create more inflation.

Paraguay

Rodriguez Expected Not To Run for Reelection

PY2612131091 Asuncion NOTICIAS in Spanish 26 Dec 91 p 2

[Text] In a speech that he will address to the opening session of the National Constituent Assembly on 30 December, President Andres Rodriguez might officially announce that he will not run for reelection in 1993. He might also announce that he will not agree to extending the presidential or congressional term.

According to reliable sources, this announcement will clear up all doubts about a possible reelection—something that was mentioned by some political circles—and will also clearly support the commitment to handing over power in 1993 to the elected candidate, as the president himself promised to the nation and the international community.

In his speech to the representatives who will draw up a new constitution, Rodriguez might also briefly evaluate the process that the country has undergone since February 1989. The president might also outline some ideas for designing a legal framework suitable to our people's needs and in accordance with modern jurisprudence.

According to our source, the delayed announcement by the chief of state could have been caused by fears that such an announcement might unleash an internal struggle within the Colorado Party, both for the position of head of the Colorado Party Executive Board and of presidential candidate in 1993.

Rodriguez Delivers Year-End Message to Military

PY2412155591 Asuncion HOY in Spanish 24 Dec 91 p 8

[Text] In General Order No. 299, a year-end message to the Armed Forces, General Andres Rodriguez, in his capacity as commander in chief of the Armed Forces of the nation, emphasized yesterday "the necessary and important reorganization" carried out last month in the military and praised the role played by military personnel in this process. On the other hand, he again pointed out that our country requires investments in order to solve the unemployment problem.

Rodriguez began by reporting about the government's "heavy activities" at both the domestic and international levels, emphasizing the signing of the Mercosur [Common Market of the South] Treaty and the summit of presidents of neighboring countries.

Rodriguez also said that the Integration Treaty "supplies to all the signatory countries effective economic prospects and a promising future for our nation."

The president added: "Our country's presence in both Cartagena de Indias and in Brasilia clearly reflects our Guarani fatherland's degree of international prestige in the eyes of our equals in America and the world; it also represents an open gate for the significant investments that our country requires for development and to alleviate the pressing problem of unemployment, which creates social problems and represents a permanent concern for this constitutional government."

Rodriguez stressed "with special satisfaction the clean municipal and constituent assembly elections held in May and December, respectively, with the participation of all political parties in the presence of observers from international organizations."

He added: "The Armed Forces, the promoters of this new peace and democracy that delights all citizens in a relentless march toward human dignity and liberty, have also achieved a necessary and important reorganization in keeping with the times and the requirements of modern and disciplined Armed Forces and the quest of greater operational efficiency linked with the nation's democratic life."

Finance Minister Remarks on Foreign Debt

PY2512144891 Asuncion NOTICIAS in Spanish 25 Dec 91 p 11

[Text] Paraguay's foreign debt stood at $1.731 billion on 30 November. Overdue payments amounted to $514 million: principal, $389 million and interest, $125 million. Finance Minister Juan Jose Diaz Perez announced these figures yesterday, adding that he was optimistic about the chances of totally resolving the foreign debt problem in 1992. He said that the IMF is advising the government on the attainment of this objective and that a stand-by loan is being negotiated with this organization as the preliminary step to renegotiating obligations with the Paris Club.

According to Diaz, another objective set for next year is the growth of the industrial sector, which will increase through the process of economic reform.

This implies that the exchange rate for the U.S. dollar must remain free and competitive, and that other reforms such as the Common Market of the South integration process, privatization, and debureaucratization must continue.

Diaz concluded by saying that achievements such as controlling inflation must be preserved next year, for which all social strata and economic agents in the country must cooperate.

New Education, Worship Minister Appointed

PY2612171891 Asuncion RPC Television Network in Spanish 1515 GMT 26 Dec 91

[Text] President Andres Rodriguez offered today Horacio Galeano Perrone the post of education minister.

Rodriguez conducted today a long meeting with Galeano, who is currently director of the Social Welfare and Assistance Directorate. An official announcement was made after the meeting.

We repeat: Horacio Galeano Perrone is the new education and worship minister.

Former Air Force Chief Released After 34 Days

PY2512144491 Asuncion NOTICIAS in Spanish 25 Dec 91 p 11

[Text] General Dionisio Cabello, retired, was released yesterday after 34 days under arrest for "disobeying" the Armed Forces commander in chief. The former Air Force commander left his place of detention at the General Staff building with his wife to spend year-end festivities with his family.

Cabello arrived at his residence wearing his Air Force general's uniform and driving his own car. After leaving his car, he refused to make a statement to the press. Despite journalists' insistence, the retired military officer politely excused himself by saying: "We will talk some other time."

On a lighter note, the general wished a merry Christmas to the journalists who came to his residence.

Agriculture Minister Assesses Farm Production

PY2412150291 Asuncion ABC COLOR in Spanish 24 Dec 91 p 16

[Excerpt] Agriculture Minister Dr. Raul Torres made an assessment of the work done during 1991. He said that the objectives of the agrarian policy have been fulfilled, thus promoting development in the area.

About the participation of the farm and lumber areas in the Gross Domestic Product [GNP] in 1991, Torres gave the following breakdown: agriculture, 16 percent; livestock, 7.8 percent; lumber, 2.8 percent; and hunting and fishing, 0.1 percent. These areas will account for 26.7 percent of the GNP in 1991. As for the GNP, Torres said that the last calculations are being made and that its growth could be around 3 percent with respect to 1990. He said that, in general terms, production was good despite the countless problems.

Production

Torres evaluated cotton production, the main farming activity in our country. He said that beyond the problems that have occurred, cotton has again ranked as the most productive crop, with a yield that surpassed 750,000 tons. As for the second most important crop, soybeans, Torres reported that 1,019,000 tons have been exported as of November, and that factories have processed some 250,000 tons. There is a 35,000 ton reserve for seeds, thus totaling 1,304,000 tons of soybean. Some 150,000 tons were registered as soybean shipments in transit.

Concerning wheat, he said that this area has been successful if compared to 1990. He said that 200,000 tons have thus far been stored in mills and 30,000 tons in silos. He added that some 60,000 tons were used for preparation of cattle feed and 30,000 tons for seed. Total wheat production thus amounts to 320,000 tons. Importation of wheat will be authorized only in cases of real need. [passage omitted]

Peru

Government Recognizes Russian Federation, CIS

PY2712141291 Madrid EFE in Spanish 0143 GMT 27 Dec 91

[Text] Lima, 26 Dec (EFE)—Today the Peruvian Government officially recognized the Russian Federation, the successor of the USSR, and the 10 other republics that make up the Commonwealth of Independent States (CIS).

The Peruvian Foreign Ministry issued a communique stating that Peru is "pleased" with Russian President Boris Yeltsin's promise that Russia's nuclear arsenal "does not pose any threat to humanity."

Fujimori Sends Message to Yeltsin

PA2712151491 Lima Global de Television Network in Spanish 0100 GMT 27 Dec 91

[Text] On 26 December, President Alberto Fujimori sent a letter to Boris Yeltsin, congratulating him for taking over the Presidency of the Russian Federation, which will replace the USSR. In addition, Fujimori took the opportunity to express the Peruvian Government's wishes to increase the traditional ties of friendship that bond the Peruvian and Russian peoples. The president concluded by wishing Yeltsin well in his sensitive duties.

* MRTA Leader on Objectives, Drug Trafficking

92WR0108Y Lima CARETAS in Spanish 9 Dec 91 pp 40-43

[Interview with Victor Polay Campos, leader of the Tupac Amaru Revolutionary Movement (MRTA), by Tomas Borge at a "secret" location in Lima "several weeks ago"; first five paragraphs are CARETAS introduction]

[Text] For the past year, Tomas Borge (the only surviving founder of the Sandinist Front of the National Revolution of Nicaragua [as published] and currently a member of that party's leadership, commander and former interior minister of his country) has resumed his literary and journalistic pursuits, which led him to publish some 20 books over the years. Now, without abandoning his political activities as a member of the opposition, Commander Borge is contributing regularly to publications such as EL PAIS and INTERVIU of Spain, EXCELSIOR of Mexico, LE MONDE DIPLOMATIQUE of France, and PAGINA 12 of Argentina. He writes opinion pieces on the international situation, but he has also been conducting interviews with such diverse individuals as Chilean President Patricio Aylwin, Libyan dictator Mu'ammar al-Qadhdhafi, Rodrigo Borja, and Mario Soares. Several weeks ago, on a trip to Lima, he managed to make secret contact with Victor Polay Campos, the fugitive leader of the Tupac Amaru Revolutionary Movement (MRTA). CARETAS presents here exclusive highlights of the most relevant and newsworthy parts of that conversation for Peru.

Tomas Borge, author of *Patient Impatience* and other books, describes Polay as a man with a fresh face and rumpled clothing, born in Callao 40 years ago. Among his friends he is known as El Chino [the Chinese]; among his followers, Cmdr. Rolando. His parents were among the founding members of the American Popular Revolutionary Alliance (APRA), but he left the party in 1972 to join the Movement of the Revolutionary Left (MIR).

Borge obtains information from the interviewee about his immediate family ("my comrade and three children"), his taste in music (Latin American, both traditional and modern, *la nueva cancion*, and Andean music) and literature (Latin American works of the "boom" period, including Mario Vargas Llosa and the usual poets, including Lorca and Vallejo).

Borge, who in the final analysis is close to his interlocutor in both spirit and political orientation, recalls with admiration the escape of MRTA members from the Castro Castro Prison through the tunnel. Despite his affinity, however, he is still able to ask some penetrating questions.

Some of the questions, of course, are rather elementary for the Peruvian reader, but they serve to recapitulate positions. Others elicit responses that are as novel as the moustache that Polay sports in the photographs.

[Borge] In very general terms, how would you describe the current situation in Peru?

[Polay] The Peru of today is characterized by social contradictions that go back centuries, and that are awaiting a solution. Only 10 percent of the workforce is employed; the rest are under- or unemployed. The per

capita GDP has dropped to the levels of 40 years ago; in economic terms, we are not in 1991 but in 1950.

Peru is first in the world today in terms of the number of detainees who have disappeared, and more than 20,000 people have died in the political violence. We are a volcano about to erupt. And the explosion—that is our problem—should have a positive effect: the creation of a new democratic, popular nation.

[Borge] The Fujimori phenomenon astounded world public opinion and raised expectations about his government. How would you characterize the two, that is, Fujimori and his administration?

[Polay] Fujimori's victory meant the definite failure of the old political class. It symbolizes people's disenchantment with the traditional political parties of both the right and the left. We Peruvians have been deceived a thousand times, and Fujimori raised three banners: honesty, technology, and work. Of these, honesty was the most important, because Gonzalez Prada's words still ring true: Peru is a great sick man; wherever he puts his finger, pus oozes out. It is still a sick country.... Technology has regressed, and unemployment has increased brutally in just a year.

Peruvians saw in Fujimori the epitome of their own dreams and frustrations. Opposite the candidate of the white people, of the rich, of the snobs, Mario Vargas Llosa, was a humble descendant of Japanese immigrants, someone apparently new. But right after he took office, Fujimori implemented Vargas Llosa's economic program. The cost of living rose between 200 and 20,000 percent, while wages rose by just 100 percent. The economic logic is submission to the IMF. In 1991 Peru is paying nearly $600 million a year in foreign debt payments, money that should be spent on schools, highways, health, work....

[Borge] Vargas Llosa recently stepped down as president of Liberty. What do you think of Vargas Llosa, as a writer and as a politician?

[Polay] There is a great contradiction in Vargas Llosa: a brilliant writer who has revived narrative techniques, especially in his earlier works, and a political reactionary. His political statements are sometimes an insult to his intelligence. He is true to his principles; we cannot classify him as a homegrown [criollo] politician. That pigheadedness, that blindness, that distorted view of Peru led to his defeat. Vargas Llosa was slapped in the face by reality and the rejection of the people.

[Borge] Former President Alan Garcia is being accused of deriving illicit gains from his presidency. What do you think of this, and above all, what do you think of Alan Garcia?

[Polay] A contradictory person whose government, aside from a certain Latin Americanist inspiration, was a resounding failure domestically. Nonetheless, the APRA leadership is one thing and the APRA people are another. For 50 years, APRA has been the main protagonist of our history, promoting an anti-imperialist and popular ideology since the beginning. APRA has been unable to renew itself or to provide a creative response on the basis of its original principles. The failure of the Aprist government, not only from the economic but also from the moral point of view, means that Alan Garcia will never be president of Peru again. His case can be summed up in two words: demagogy and ineptitude.

[Borge] Alan Garcia has expressed a personal affection for you in my conversations with him. He has told me that in a way your role as a revolutionary was motivated by a personal emulation with him....

[Polay] The MRTA and its revolutionary activities came before Alan Garcia's leadership of APRA and his ascent to the presidency of Peru. Moreover, no one undertakes to pursue the armed struggle, with all that it represents, just because of a rivalry with someone.

[Borge] Were you ever a friend of Alan Garcia's?

[Polay] Yes. We came from the Aprist youth; we were both close to Victor Raul Haya de la Torre. Then we met again in Madrid, when I got out of prison and needed time to reflect. We shared an apartment there, and then we worked together in Geneva as factory workers. At that time I saw him as a young element of APRA who was seeking renewal. In those days APRA was weighed down by the burden of the coexistence pacts it had signed with the right, the coalition with the government of Manuel Odria.... We never saw each other again after 1975.

[Borge] Of everything that is happening in Peru, what the international press emphasizes the most are the actions of Sendero Luminoso. What is your view of them? What do you think of this political-military organization?

[Polay] The first thing we must recognize is that Sendero Luminoso is an expression of the contradictions, the historic frustrations of Peruvians. One way or another, this organization is trying to represent the most politically backward sectors of our society. After 10 years in action, however, we can say that it is the brother-enemy of the most reactionary sectors of our country, because they need each other; they feed on each other.

More than 90 percent of the casualties of their military actions are among the civilian population. They kill not only members of the armed forces, mayors and government officials; they also kill peasants, religious workers, foreign friends, popular leaders. Their messianic vision of society links them to the Islamic fundamentalists. The Senderists think they are the sole repository of the truth. They are the Peruvian version of Pol Pot.

[Borge] How are MRTA's relations with Sendero Luminoso? Is there any understanding, any possibility of joint actions, or even of organic unity?

[Polay] In 1981 or 1982, when we were just getting started in the armed struggle, we supported Sendero in

condemning the human rights violations, the state terrorism. But when our first comrades began being captured, Sendero's attitude toward them in the jails was one of not just hostility but physical aggression. In the parts of the country where the Senderists have run into MRTA militants they have killed them. They think we are "petite bourgeois nationalists." We have had to defend ourselves with weapons against the aggression of Sendero Luminoso. From our perspective, Sendero Luminoso is an obstacle, a hindrance to the development of the Peruvian revolution.

[Borge] Can it be said that Sendero Luminoso is an organization of the left?

[Polay] A political-military organization is defined not by its statements, but by its practical actions. I think that anyone who behaves the way the Senderists do does not deserve to be defined as a revolutionary. Wherever they operate, they destroy all forms of autonomous popular organization.

[Borge] And what can you tell me about the rest of the Peruvian left? Does the MRTA have ties with these organizations?

[Polay] We have normal relations with the nonarmed left. We have relations with various forces in the country's political life, including sectors of APRA. There are many Christians in the MRTA, and we have strong ties with the churches of Peru. The MRTA is neither atheist nor Christian, but its members can pursue their religious practices. What unites us is the struggle for a new Peru.

[Borge] With the collapse of the socialist camp and the USSR itself, there are those who contend that the world is regressing, and that the international revolutionary movement is at an ebb. Do you agree? Is this happening in Latin America?

[Polay] It appears that the USSR reached a point of stagnation in its development, not only economically but also politically, and profound changes could not be postponed any longer. Neither Gorbachev nor anyone else in the world thought, however, that these necessary transformations would lead to the almost total disintegration of the USSR as a state. Our concern is that in the current situation, a military unipolarity is being strengthened, in which the United States is emerging as a predominant world force without any counterweight.

[Borge] Does this imbalance, this unipolar regime, affect our countries?

[Polay] Without a doubt, the struggle of the Third World countries for a New International Economic Order becomes even more complicated. The struggles revolving around the immorality of the foreign debt, the unfair terms of trade, or protectionist barriers are facing a growing arrogance that is becoming blinder and blinder. The Berlin wall came down in Europe, but in Latin America there are still many more walls to bring down. The walls of hunger, poverty, and despair have not fallen. As long as these social conditions remain unchanged, regardless of what happens in Europe, the revolutionary struggle will persist.

[Borge] Cuba insists on remaining loyal to the principles of socialism. Will the Cuban Revolution be able to survive?

[Polay] We hope that it will not only survive but also thrive and continue to provide moral support, as it has done to the present, for those of us in Latin America who are seeking a new world, a just world. The defeat of the Cuban people would be the defeat of all the peoples of Latin America....

[Borge] What is your opinion of the Guadalajara Summit (of the leaders of all Latin American and Caribbean countries)? Will that type of initiative have a real impact on the course of events in the region?

[Polay] We believe that Mexico's effort to organize the first meeting of Latin American leaders without the presence of the United States has been a positive development. It is an important step toward restoring the dignity and unity of our peoples. We have seen so many presidents of the region running behind the American leaders, making gestures so that they would receive better treatment from the State Department.

Our political thought includes Tupacamarist internationalism as one of its principles. Tupac Amaru's struggle transcended all of South America. The term *tupamaro*, which is used to describe any rebel, any anticolonialist, is derived from his name.

[Borge] Do the MRTA's plans include renouncing the use of armed violence to pursue the struggle within civilian society, as most of the guerrilla movements in Latin America have done or are trying to do?

[Polay] The MRTA's objective is to seek justice and peace for Peru. We are not going to limit ourselves to a single form of struggle; we are going to do whatever is necessary at the time. Because of the specific characteristics of Peru that we have mentioned, it is impossible to consider renouncing arms until some fundamental problems are solved.

Peace can only exist under the mantle of justice. Without social justice there can be no peace. We do not want to deceive anyone in that regard; we say it in all sincerity. The MRTA is not fighting so that someone can be a deputy, senator, or president; we are fighting for change in Peru. The reestablishment of Peru is impossible, at least today, without the armed struggle.

Peru is obviously different from the rest of Latin America. Our country has never had a Mexican Revolution, a Bolivian Revolution, much less a Nicaraguan Revolution, much, much less a Cuban Revolution. For all these reasons, we believe that in Peru change is possible only by combining all forms of revolutionary struggle.

[Borge] It is alleged that drug traffickers and guerrillas are working hand in glove in Peru today. What is the MRTA's position on this issue?

[Polay] In the MRTA's case, this is a malicious lie told by our enemies in an effort to discredit, nationally and internationally, those of us who are fighting for a better Peru. We cannot conceive of a revolutionary who is involved in drug trafficking, because we oppose drug consumption as a matter of principle.

[Borge] And why is there drug trafficking in Peru?

[Polay] Well, because there is demand in the capitalist countries, particularly in the United States. If peasants are growing coca, it is out of necessity, not by choice.

The MRTA contends that drug trafficking is one of the crudest expressions of the so-called consumer society. In the areas where we operate, we have prohibited the production, marketing, and consumption of narcotics, because the primary victims of this activity are young people, the most valuable asset to a nation. We believe, however, that the coca-growing peasants must be respected, because in the first place, this crop has been raised for centuries and is extremely important to Peruvian society.

Coca cultivation in Peru predates drug trafficking and cocaine consumption. The only way to replace it is to provide viable alternatives for other crops. This means credits, technical assistance, markets, highways. The United States wants to eradicate coca cultivation in Peru, which is the largest producer of this crop in the world, by investing just 0.3 percent of its total antidrug budget. The Americans give priority to repression in their effort to eliminate drugs, and we do oppose that.

The interview, finally, reflects not only opinions such as these—which could be shared by Alberto Fujimori and Hernando de Soto—but also deals with the structure of the MRTA. Polay states that they are fighting on five fronts in the country, and curiously, he quotes the American magazine NEWSWEEK to suggest that he has 2,500 combatants in arms. He also notes that some 200 MRTA members are currently in prison.

Venezuela

President Perez on 1992 Economic Prospects

PA2612190891 Caracas Venezolana de Television Network in Spanish 1550 GMT 26 Dec 91

[Text] The last Council of Ministers meeting for 1991 was held this morning at Miraflores Palace, where President Carlos Andres Perez met with journalists to exchange views on his administration's accomplishments in 1991.

At a Christmas party for journalists who work at the presidential palace, President Perez reiterated that the country is negotiating with multinational banks to obtain credits for the health, education, and consumer economy sectors. These are the three basic economic areas the government will tackle in 1992.

President Perez recognized that difficult days lay ahead because, coupled with economic growth is the danger of inflation, which must be brought under control.

The government must ensure that the economic measures fulfill the objectives of improving the population's living standards.

[Begin Perez recording, in progress] ...macroeconomic measures will create the atmosphere and the conditions for social improvement. At the beginning, these macroeconomic measures produce more problems in the sectors with less resources, particularly in a country where everything was subsidized. The disappearance of the subsidies caused a difficult situation for every sector of the community. But the social effects of these measures will be appreciated more in 1992. Meanwhile, the government will work to implement a series of social programs that will contribute to give meaning to the lives of Venezuelans. [end recording]

Plans To Privatize Oil Industry Denied

PA2312161991 Caracas Venezolana de Television Network in Spanish 0000 GMT 21 Dec 91

[Text] The minister of energy and mines reaffirmed on 20 December that the government is not considering the privatization of the Pequiven [Petrochemical Company of Venezuela]. The influx of funds will come from the sale of shares on the stock market or from private capital partnerships.

During their annual meeting, the shareholders reviewed the company's 1992 investment and operating budgets, as well as a report on the oil industry's perspectives. Energy and Mines Minister Celestino Armas flatly denied reports of Pequiven's privatization. What is under study is the possibility of issuing shares on Venezuelan or foreign stock exchanges, which is where the money that maintains the country comes from, to get the necessary funds to expand. Pequiven President Andres Sosa raised the issue before the Council of Ministers.

[Begin recording, Energy, Mines, and Oil Minister Celestino Armas] Pequiven will continue to promote new projects, in which the government will maintain a degree of participation. We hope this participation will be progressively less, to allow a greater participation of private funds in the development of these new petrochemical projects. This scheme has already been achieved: Pequiven, a government enterprise, is promoting joint capital enterprises. This is a long time policy in Venezuela, and has had great success.

What we have been discussing now is that one of the ways to get financial support, in this modern economic system, may be through the issuing of shares or bonds, to be sold on the stock exchange. A company such as

Pequiven could place these instruments on the market, once the legal modifications have been made, and funnel private funds to develop some of its more important projects. [end recording]

Company executives said there will be real growth, which will boost the company's production capacity to more than 2.9 million barrels per day [BPD]. This amount almost reaches the maximum goal of 3 million BPD and is expected to produce a $13.795 billion in income. The total income, when added to petrochemical, coal, and other related industries, is $14.115 billion. For budget purposes, the government has estimated exports of 1.95 million BPD at an average price of $19.00 per barrel and an exchange rate of 63 bolivars to the dollar.

The investment budget, on which the industry's expansion plans and hence the future of the country depend, was set at 333 billion bolivars. The oil industry will receive almost 90 percent.

The minister said an agreement to reduce the fiscal value of exports could be reached in two or three years. The reduction was requested by the Armas and the president of Venezuelan Petroleum, Incorporated, and supported by the Venezuelan Federation of Associations and Chambers of Commerce and Industry.

* Progress, Future of Privatizations Examined

92SM0168A Caracas VIERNES in Spanish Nov 91 pp 25-30

[Report by Luis Alvaray, engineer, master's degree in economic development, and vice president of the Movement Toward Socialism (MAS)]

[Text]

Taking Stock of Privatization in Venezuela

Since the start of the current administration's term one of its major goals has been to redefine the role of the State in the economy, and its main line of action has been to transfer to the private sector the units, assets, and responsibilities that used to belong to the government.

In all truth, the administrations of Herrera Campins and Lusinchi announced a similar strategy, although it was not carried out to any great degree during their terms.

The Perez administration has indeed made the issue a major part of its economic policy, and above and beyond the vicissitudes and contradictions that characterize his mandate we can say that the aim of privatization has been maintained with a certain degree of firmness and perseverance.

We do not doubt that the philosophy of several administration leaders is dominated by the neoclassical-liberal idea of reducing the State to a minimum of functions, thus paying homage to the notion that the marketplace, unfettered competition, and private business alone can resolve the country's immense problems.

This idea clashes, however, with the fact that our country's economy is and will remain mixed, not only because powerful resources are in government hands but also because many of the potential solutions to our many shortcomings transcend the private sector and are necessarily to be found in the realm of government. In support of this assertion, we need only cite the Eighth Plan of the Nation, which says that half of the gross fixed investment scheduled for the period (some $25 billion) must come from the public sector.

Hence, Venezuela's privatization, rather than an ideological proposal, is a process motivated by three major factors: the search for efficiency, the shortage of funds, and the need to relieve the State of unnecessary burdens.

To these factors we can add an element that is dramatically present in Venezuela near the end of the century. It is the inability to govern, the anguishing conviction that increasingly dominates government ministers and administrators, the conviction that they cannot possibly control the machinery of government, not even with middling effectiveness. This prompts them to turn to privatization in many cases that they could resolve if they properly fulfilled their direct responsibilities as government authorities.

In any event, the process has been structured in accordance with these motives and interests, and as the administration approaches its midpoint, the results of privatization have not lived up to the expectations that it aroused, as we will now see.

The Narrow Scope of the Process

According to the various official announcements on the matter and based on the policies outlined so far, we can estimate that some 150 enterprises, assets, institutions, or responsibilities are going to be transferred from the government sphere to the private sector.

To date, however, only the following operations have been completed: two banks, cellular telephone service, and several megaprojects, while a dozen others are well under way. As an illustration, by the end of 1991, when the administration will have been in office for three years, the overall process will be about 10 percent completed.

These are meager results if we consider that more than half of the cases enjoy total political consensus, involving as they do tourist facilities and hotels, gaming facilities, and industrial plants. Many of them are reprivatizations of private firms that went bankrupt, became government owned, and are now returning to the private sector.

The scant progress in these sectors is apparently due to the many vested interests (above all in hotels) and to the diversity of organizations involved in the matter, ranging from the FIV [Venezuelan Investment Fund] to

regional bodies and including Cordiplan [Office of Coordination and Planning], Fogade [expansion not given], Corpoturismo [Corporation for National Turism], the Environment Ministry, MTC [Ministry of Transport and Communications], and others.

Other major factors are the lack of an overview of the problem that is widely accepted in official circles and the lack of a coherent program of action to prevent the frequent stops and starts that have characterized the general plan and several specific cases such as the metropolitan water-supply system, the race track, the ports, the cement plants, and some major hotels.

In contrast to the actual headway in the process, the administration has indeed made major gains in the area of public opinion, having created an overall atmosphere that is favorable to privatization and having won over various segments of society that were opposed to the pursuit of the proposed strategy.

Deceiving Privatizations

In spite of the administration's many promises that the privatization processes would be handled in an upstanding manner, the fact is that this has happened so far only in the awarding of the cellular telephone channel and in the sale of the Banco Italo, which were indeed up-front negotiations.

In other cases there are many doubts, as we will now see:

a) In the privatization of the Banco Occidental de Descuento the shares were obviously undervalued, and a certain number of individuals made fat profits by buying at 320 bolivares a share and then selling a few days later at 2,500, which was the price that these securities hit on the Caracas Stock Exchange.

The State lost an estimated 1 billion bolivares in assets in this transaction.

b) The Tunhelca piping factory in Barquisimeto, valued at some 150 million bolivares, was transferred to Inversiones Matemauco for 32 million, but the money had not yet gone into government coffers four months later. The sale was conducted by the Liquidation Board of the Banco Nacional de Descuento, and the buyer is the original owner of the plant whose bankruptcy thrust the company into State hands.

There has been talk of investigations and penalties, but nothing has happened.

c) In the case of ports, where the liquidation of the INP [National Institute of Ports] has been taken advantage of, there has been a sort of clandestine privatization, as certain individuals or groups have been "hand-picked" to benefit from the awards. There have been notorious cases in Puerto Cabello, prompting complaints that have not been duly processed.

Since under the law the governor's offices are going to be exclusively responsible for administering the ports, what we are seeing now is a sort of heist before the move to decentralize.

d) The negotiations with the Traemel company (Spanish capital and the CTV [Confederation of Venezuelan Workers]) concerning three hotels gave rise to so many irregularities that they had to be halted.

e) There have been doubts as to the method of selecting the investment banks and the consulting firms in the privatization process. The fees paid are too high in some cases, and domestic firms are being slighted, it having been accepted that the World Bank will always make the final decision.

f) The megaprojects, which are a sort of privatization in basic industry, are being negotiated in such a way as to allow a percentage of the investment to be covered by debt instruments. In practice, this represents an unnecessary subsidy that may grow even larger if the costs of the projects are tampered with.

The public has questioned the procedure.

Concentration of Capital

One of the banners of privatization in England was to build a "nation of stockholders," thus developing the idea of grassroots capitalism to its utmost.

During Thatcher's term of office the number of people owning stock indeed increased, from 7 to 20 percent of the adult population (9 million persons). This can be regarded as major progress in democratizing capital in that country.

The Venezuelan privatization would not seem to be designed to achieve major results if we go by what has happened so far. What the sell-off of the banks has done is strengthen the existing financial groups. Cellular telephone service was awarded to a transnational corporation that is the partner of a powerful domestic group. The megaprojects are being awarded to large international consortiums.

There has begun to be talk about the involvement of the workers only in the case of Viasa, in which the employees themselves have put forward a major initiative, and in the case of CANTV [National Telephone Company of Venezuela], in which a plan under which 11 percent of the shares will be offered to employees is apparently taking shape.

Moreover, there is still a strong tendency to co-opt the participation of the workers, where such participation is achieved, by giving the shares to the unions or to the CTV. This is not at all in keeping with the idea of democratizing ownership; rather, it is a source of corruption, as has been demonstrated on a good many occasions.

By and large, we can say that the government privatizers have not thought seriously and creatively about the matter and that "dispersal of capital" or involvement in management represents official propaganda rather than a clear conviction about possible approaches.

The Privatization of Public Utilities

One of the most delicate areas in which to pursue a privatization process is public utilities. The potential improvement in quality and coverage that the private management of a given utility would supposedly bring is always offset by the problem of higher rates as a result of privatization, which wind up making the utility less affordable for large segments of the population.

In general, public utilities are regarded as "public goods," and as such all of the country's inhabitants, without distinctions of any kind, must have access to them. This is particularly true in the case of basic services like water, sewerage, electric power, police protection, transportation, communications, and social services such as health care and education.

The problem is that many of the actual and potential customers are poor. This is particularly true in Venezuela, where half of the population lives in disadvantaged conditions and cannot really afford most of the services they require.

This necessitates subsidies, which can be external, in other words, from other government sources, or internal, that is to say, subsidies that are shifted from one utility to another by way of differential rates or by applying the revenues from the high-profit areas to the less profitable ones.

The attempt to strike a balance among costs, prices, and subsidies must be a special consideration in a privatization process, because otherwise we run the risk of causing highly disadvantageous situations in which the less profitable areas or the areas with low-income customers are shunted aside and practically excluded from the service, either because of prohibitively high rates or because these utilities are left in the hands of faltering government institutions. The post office, health care, and basic schooling are typical examples of this situation in Venezuela. In these instances privatization has improved service for a few, but most people have largely done without.

A second major issue to consider in this same vein is the "natural monopoly" that some utilities have. In the case of water, electric power, gas, and basic telephone service, competition is not feasible among different providers in the same area. Technical and economic reasons dictate a single supplier, and therefore the State cannot wash its hands of the matter; rather, it must develop a strong capacity to regulate and control the prices, the quality, and the coverage of the services, to mention just the most important elements. To privatize in such cases means developing, at the same time, government regulatory and monitoring capacity to properly safeguard the interests of potential customers.

It is also worth noting that the further development of utilities must be among our national goals, such as enhancing the quality of life or creating an infrastructure capable of sustaining a given pace of economic growth. In this connection, several of the utilities are "strategic," which means that the State must take part in guiding their development and even in financing investment in them, regardless of the model of ownership or management that is eventually adopted.

All of these considerations do not seem to be present in the privatizations that are being announced in connection with water and power, for example.

The privatization of the Metropolitan Water Supply was originally proposed as an award to Electricity of Caracas and is now under way as an international competitive bidding. However, the principles and conditions underlying the process and controlling the impact that it is going to have on customers were never spelled out clearly.

There is talk of sevenfold increases in rates and of a separate charge for sewer service. This would have a major impact on potential subsidies, regulatory bodies, quality controls, investment responsibility, and so many other matters that are vital in resolving the situation of the water supply system and seeing to it that it operates properly by serving the entire population.

In the case of electric power, the privatization of Enelven, Enelco, and Enelbar has been announced; these are three of the most successful and efficient government-run enterprises in this field. The reasons for this choice are incomprehensible, given that the government could have begun with the recently created affiliates of Cadafe [Electrical Administration and Development Corporation], for example, which would have been more justified. Moreover, there is no coherent overview of the electric-power service that takes into account all of the effects that its privatization may have on the population.

The privatization of public utilities thus seems to be adrift, marked by ad hoc solutions to each problem and without overviews to guide a sound strategy of further development and of serving customers effectively.

Denationalization of the Telephone Service

One of the most controversial proposed privatizations involves basic telephone service, which is run by CANTV.

Although the deterioration of this enterprise's service, especially during the current administration, has created a public-opinion climate favorable to its sale to the private sector, there are many weighty arguments in favor of maintaining a preponderant role for the State in this field.

The first point is that CANTV will likely be bought by a transnational (eight are competing), which will lead to the dangerous denationalization of a basic service involving the country's major information networks. No developed country has ever done this, because for strategic reasons privatizations in this area have always severely limited the share of foreign capital (England, for example, set the share of outside capital in the privatization of British Telecom at 6.6 percent).

In addition, a monopoly is going to be given to a multinational in a country that lacks laws and structures to regulate monopolies and oligopolies, and as a result the corporation is going to be able to do as it pleases.

Moreover, the transnational operating companies' ties to the firms that manufacture the equipment are going to raise its price significantly, as the well-known "transfer price" mechanism comes into play. This mechanism boosts the profits of the parent companies and creates inflationary pressures on service costs, which the subscribers ultimately wind up paying for.

The transnationalization of telephone service could also lead to its concentration in the most profitable areas and to the neglect of lower-income groups and smaller towns, which will have much less chance of eventually hooking into the telephone network.

We can also argue that the use of the nation's capabilities is going to be restricted by the foreign hegemony in the business. If Venezuela's technological development were primitive, then it would be acceptable to pay such a price to have some sort of service. But this is not the case, as it was demonstrated back in the 1960's and 1970's that the nation had sufficiently trained human resources to modernize its communications facilities. Direct dialing, satellite transmission, service integration, and the expansion of local telephone service were all achievements of those years and required no foreign domination.

Finally, telephone service is a highly profitable business that can finance itself without major difficulties. CANTV, for example, posted a deficit in 1989 after 20 profitable years, and this was due mainly to appalling management by the executives who took office under this administration. Lack of resources cannot, therefore, be an argument justifying the sale.

The controversy that has arisen over these matters has prompted the administration to alter its stand somewhat. Now, instead of selling everything, it is talking about offering only 40 percent of the shares to international groups, keeping 11 percent in the hands of the workers, and reserving the remaining 49 percent for the State.

This arrangement is unquestionably better than the previous one. Nevertheless, the objective of improving and substantially expanding the service can be achieved without going as far in transferring ownership by instead making use of management contracts, which are more flexible and entail fewer risks.

In any event, one crucial point is to define the conditions under which the partial transfer of ownership or the management commitment will ultimately be carried out, as well as to develop a government regulatory capacity, which does not exist today and will be indispensable in the future.

The Course of Basic Industry

Article 97 of the National Constitution says towards the end that the State "shall move to create and develop a heavy basic industry under its control."

As with many other things in this country, 30 years later the scope of this provision of the constitution is still not clear, and legislation precisely defining the spheres of the private and public sectors in such an important area of production has been developed even less.

In carrying out today's privatization, the government has once again avoided establishing principles and has opted, instead, for a pragmatic case-by-case approach, which may be useful in getting out of a jam but is totally lacking in objectivity in one of the most important areas of the country's economy.

In any case, what is taking place could be called a "forward privatization," the opening up of various sectors to private, mainly foreign capital. This is being done in a serious, rational manner in petrochemicals, where there are guidelines and conditions for investments that, under Pequiven's direction, will fund private, joint, and government projects in various predetermined areas of the sector.

The conversion of debt into investment is open to criticism here, and this is also being done extensively in the aluminum industry, in which four megaprojects have so far been awarded to various private groups.

An opening is also taking place in the petroleum industry with the program to reactivate marginal oil fields and with the Cristopher Columbus project, among others, although the Ministry of Energy and Mines and industry leaders are always disagreeing on sector policies.

In the steel industry the sore point has been the reconversion of Sidor [Orinoco Iron and Steelworks], which has caused the dismissal of some 3,000 workers and which has been left half-completed because the steps needed to reactivate the industry have not been fully taken.

Finally, in the large mining companies the government's presence has been bolstered in iron ore and bauxite, while joint ventures are being promoted in gold and coal.

As we can see, the country is very far from having precise guidelines for privatization; what it has instead is a "collage" of goals and purposes that at times resemble each other but that have no common thread to chart a clear, overall course.

Much of basic industry ought to remain in government hands, such as the oil industry, the major hydroelectric projects, the production and transportation of natural gas (except for special cases), iron mining, and the aluminum and bauxite production cycle.

The key companies in each field must be supported and revamped whenever necessary so that they can become hubs of development.

The involvement of domestic and foreign private capital is appropriate. Although terms attractive to investors ought to be set, standards should also be established to safeguard the profits that the State ought to receive, to prevent social and environmental externalities, to strengthen the nation's capabilities, and in general to help achieve harmonious development for the country.

The point is not just to undertake a few more or less major projects. The point is also to undertake them while optimizing benefits to the nation.

The Unofficial Privatizations

Alongside the transfers of goods, services, and responsibilities to the private sector that government bodies are consciously promoting, other privatizations that are not part of any particular program are taking place; their purpose is to make up for shortcomings and fill vacuums in governmental action in very sensitive areas for the population.

In the case of health care, for example, the debacle of our hospitals and primary-care network is leaving private clinics as the sole alternative. They certainly provide excellent service, but unfortunately it is limited to those who can afford the high fees.

In higher education, overcrowding at national universities has promoted the lucrative business of charging heavy matriculation fees and monthly installments for access to the third or fourth level of education. The cost of private higher education has doubled over the past two years, but unlike health care this has not been accompanied by excellence in service; rather, we can speak of a serious decline in academic quality that the State is not monitoring properly.

A third prominent case has to do with police protection, in which the State has also been transferring its responsibilities to private security firms that today protect buildings, homes, and housing developments, whose residents prefer to pay an additional charge rather than be subjected to the onslaught of crime.

We could also mention the case of water, the distribution of which has also become a successful business, whether by tank truck or in bottles. Annual sales of bottled water total 9 billion bolivares, and proper sanitary controls are, of course, lacking.

All of these privatizations reflect a dangerous crumbling of basic governmental functions. This is placing an increasing cost burden on the citizens who are able to pay while leaving lower-income earners in a terribly defenseless situation in which they might die in a hospital or an ambulance where not even syringes are available, in which better lives through education are impossible, or in which they are at the mercy of the crime wave that is scourging all areas of the country.

The middle class may be able to hold out to a degree, but the lowest-income sectors will be increasingly hurt by these privatizations, which merely reflect a severe inability to govern.

Lack of Legal Framework

In conclusion, I should emphasize that unlike in most other countries that have undertaken privatizations, Venezuela has not had a prior legal framework establishing the rules under which the privatizations are to take place.

As a result, the privatizations that are well under way have not been subject to any regulation, except for the vague provisions of a law on the transfer of public assets, a law that was drafted in a different era for very different purposes.

For a year and a half now two privatization bills have been before the National Congress. Although as they were originally conceived their approach was very pro forma, they have served as the basis for drafting a more recent version that may be passed this year.

The debate on this law ought to help develop fundamental definitions about the fields of action of the public and private sectors, taking into account the dynamics of their relationship in a modern State.

Likewise, it should help to establish policy on public utilities, basic industry, education, health care, and police protection.

In addition, limits must be set to privatization. The laws of other countries even list the goods and services that are going to be privatized, thus precisely defining the scope of this strategy.

The law must also include guidelines on the democratization of capital, on incentives for cooperatives and self-managed organizations, on the restrictions that ought to be placed on the share of foreign capital in certain areas, and on the preferences that may be granted to workers to encourage their involvement in the ownership and management of the privatized companies.

The law should also clearly set forth the "modus operandi" of the privatizations and the controls to which they must be subject in order to make sure that all of the transactions are aboveboard.

Given the importance of all these clarifications, Congress ought to attach special priority to a consideration of the issue.